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General Accounting Office

Thrift Industry Restructuring And The Net Worth Certificate Program

ORIGINAL

The Garn-St Germain Depository Institutions Act of 1982 authorized capital assistance programs for savings and loan associations and savings banks. These programs were intended to increase the net worth of weakened institutions so that they could return to profitability.

The act requires GAO to examine the net worth certificate program and to report to the Congress. GAO used data on thrift institutions for the period December 1977 through September 1984. This report shows the restructuring that occurred and the progress made toward profitability by the industry; by early participants in the Federal Savings and Loan Insurance Corporation net worth certificate program; and by a set of institutions that were potentially eligible to participate, but chose not to do so.

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SEPTEMBER 24, 1985

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

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The Honorable Jake Garn
Chairman, Committee on Banking, Housing
and Urban Affairs
United States Senate

The Honorable Fernand J. St Germain
Chairman, Committee on Banking, Finance
and Urban Affairs
House of Representatives

In response to our legislative requirement to audit the Net Worth Certificate Program provided for by the Garn-St Germain Depository Institutions Act of 1982, we prepared information on conditions in the thrift industry (institutions insured by the Federal Savings and Loan Insurance Corporation (FSLIC)). We also examined the condition of the thrift participants in the Net Worth Certificate program. The time period our data cover is from December 1977 through September 1984, encompassing both the Depository Institutions Deregulation and Monetary Control Act of 1980 and the Garn-St Germain Act of 1982.

The information contained in this report was provided in the form of a briefing document to House and Senate Committee staffs in May. Our data were the most current available at that time. Copies of our work were provided to the Federal Home Loan Bank Board, the FSLIC, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency. We are publishing this information because of its comprehensiveness and because of interest expressed in its content by many participants in the financial services industry.

OBJECTIVES, SCOPE, AND METHODOLOGY

The long-felt concern about the condition of the thrift industry has been strongly reinforced in recent statements by both the current and the past Chairmen of the Federal Home Loan Bank Board on the potential for widespread failures and the resulting danger to the FSLIC insurance fund. Our first objective, therefore, is to depict the condition and history of the FSLIC-insured savings and loans (S&Ls) and savings banks from December 1977 through September 1984. Summary measures are presented in table 1.1 (p. 4) both for the industry and for a group of participants in the Net Worth Certificate (NWC) program. This program was created by the Garn-St Germain Act to provide regulatory net worth to thrifts whose net worth was low and falling due to losses.

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The emergency powers section of the Garn-St Germain Act will expire in October of this year. Congress will therefore be considering whether to renew these powers (including the NWC program) or to cancel, replace, or supplement them. Many of these emergency powers were granted to industry regulators to better allow them to handle the incipient crises among depository institutions, particularly thrifts, that existed in 1981 and 1982. One of the longer term objectives of the Garn-St Germain Act, as was also true of the earlier Depository Institutions Deregulation and Monetary Control Act of 1980, was to grant thrifts extended powers to change the asset and liability composition of their balance sheets. These powers were to enable thrifts to diversify in order to reduce their exposure to the housing industry's cyclical fluctuations and to the interest rate risk inherent in funding fixed-rate long-maturity assets with short-term or variably priced liabilities. Therefore, our second objective is to examine the extent of restructuring that had taken place in the thrift industry through September 1984.

Given our congressional reporting requirement on the Net Worth Certificate program, our third objective is to assess the performance of the participants in the NWC program administered by the Federal Home Loan Bank Board (FHLBB) over the period of our analysis.

An examination of changes occurring in the thrift industry and an assessment of the NWC program require historical data that are comparable over time. Given the legislative and economic events that have directly affected the thrift industry, we felt that data extending at least back to 1977 were necessary. The best sources of data on individual FSLIC-insured thrift institutions are the Financial Statements that they are required to file with the FHLBB. These reports were submitted semiannually through 1983 and quarterly since March 1984.

When moving to the quarterly reporting schedule, however, the FHLBB so completely revised its report contents and format that little historically consistent data can be obtained from published sources. As the Bank Board was unable to supply us with data in a usable form, we had the information found on the FHLBB's earlier (pre-1984) reports converted to the format used on the more recent quarterly reports. The result was a consistent set of data on the thrift industry for the period December 1977 to September 1984.

We have used these data to calculate totals, average values, and growth rates for a large number of variables that describe the condition of the thrift industry during the period studied. We then compared the performance of the NWC

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participants with that of a control group and with the industry. At the same time, we were able to examine the industry to see how it recovered and changed after the serious crisis it suffered from 1980 through 1982.

Tables 1.1 (pp. 4-5) and 1.2 (pp. 6-7) provide summaries of performance for the industry and for the participants in the NWC program. Greater detail is provided in the appendixes on the comparative behavior of the industry, program participants, and a set of institutions that were eligible to participate in the program but chose not to do so. These three groups are defined as follows:

1. NWC participants, a group of 67 institutions that issued Net Worth Certificates before the end of 1983.

2. Eligible nonparticipants, a group of 577 thrifts that were potentially eligible for net worth certificate assistance according to the FHLBB because they had met the two primary requirements for program eligibility as of December 1982 and June 1983. That is, they had regulatory net worth between 0.5 percent and 3.0 percent of assets and had incurred losses during the two previous quarters. These institutions chose not to participate in the program, however.

3. All FSLIC-insured institutions, both savings and loans and savings banks.

We have no conclusions or recommendations in our report. However, several observations can be made from the data.

THE INDUSTRY-WIDE PICTURE

The overall condition of the thrift industry had not, by September 1984, improved markedly since the crisis of 1981-82. On average, thrifts had returned to profitability (table 52, p. 117), but profits continued to be low by historical standards (0.05 percent return on assets in the third quarter of 1984). The number of institutions decreased from 4,055 in December 1977 to 3,287 at the end of 1982 and to 3,137 in September 1984 (table 1, p. 26).

Average net worth for the industry was also low by the FHLBB's standards. By September 1984, industry net worth was on average less than 3 percent of assets (measured under generally accepted accounting principles (GAAP)). At that same time, 417 insured institutions were insolvent (GAAP net worth less than zero) compared with 216 institutions in December 1982. Another 896 institutions had low net worth (GAAP net worth between 0.0 and 3.0 percent of assets) in September 1984.

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Table 1.1

Summary of Industry Performance

	All FSLIC-Insured Institutions		Net worth certificate participants[a]	
	December 1982	September 1984	December 1982	September 1984
I. CAPITAL ADEQUACY, ASSETS, AND GROWTH				
A. Number and net worth of FSLIC-insured institutions				
Total number of institutions (%)	3,287 (100.0%)	3,137 (100.0%)	67	66 (100.0%)
Total assets	$686,225,762,000	$922,351,872,000	$13,190,350,000	$15,586,542,000
Number of insolvent institutions (%) (GAAP net worth ≤ 0% of assets)	216 (6.6%)	417 (13.3%)	20 (29.9%)	56 (84.8%)
Total assets of insolvent institutions	$54,320,034,000	$96,221,594,000	$5,641,124,000	$13,247,764,000
Number of low net worth institutions (%) (GAAP net worth between 0% and 3% of assets)	921 (28.0%)	896 (28.6%)	47 (70.1%)	10 (15.2%)
Total assets of low net worth institutions	$222,834,287,000	$383,145,377,000	$7,549,226,000	$2,338,778,000
B. Industry net worth as a percent of assets (tables 27, 28)				
Regulatory net worth[b]	3.69	3.86	1.63	1.3
GAAP net worth	3.18	2.94	-1.25	-2.80
Tangible net worth	0.76	0.47	-2.39	-4.08
C Average growth of assets (at annual rates) (table 3)	5.99[c]	19.09[d]	7.37[c]	10.01[d]
II. EARNINGS				
A. Profitability (tables 52, 53)				
Net income as a % of assets	-0.27	0.05	-1.56	-0.52
Net operating income as a % of assets	-1.15	0.04	-2.11	-0.44
Net nonoperating income as a % of assets	0.08	0.06	0.43	-0.07
Operating income ratio (operating income/operating expenses)	0.90	1.00	0.82	0.96
Nonoperating income ratio (nonoperating income/nonoperating expenses)	3.91	1.21	3.76	0.65

	All FSLIC-insured institutions		Net worth certificate participants[a]	
	December 1982	September 1984	December 1982	September 1984
B. Rate of return on net worth				
Regulatory net worth (table 55)	-7.40	1.21	-95.60	-38.10
GAAP net worth (table 56)	-8.76	1.58	N/A[d]	N/A[e]
III. INCOME AND EXPENSES				
A. Average interest rate received on assets[f] (tables 38, 39)				
Mortgages	10.29	10.45	9.63	10.23$
Mortgage-backed securities	8.75	10.64	10.99	10.16
Consumer loans	12.70	12.75	12.73	12.57
Commercial loans	10.81	12.24	12.98	14.86
Liquid assets	10.22	10.60	9.86	10.01
B. Average interest rate paid on liabilities[f] (tables 48, 49)				
Deposits	10.65	9.99	10.42	9.61
FHLB advances	13.71	11.20	13.53	11.42
Subordinated debentures	7.37	8.87	N/A	N/A
Mortgage-backed bonds	8.72	12.47	14.25	N/A
C. Market interest rates[g]				
Federal funds (daily averages)	8.95	11.30	8.95	11.30
3-month Treasury bill	7.94	10.37	7.94	10.37
U.S. Government bonds (20-year maturity)	10.62	12.42	10.62	12.42

[a]The 67 net worth participants used here and throughout the following tables are the institutions that received net worth certificates during 1982 and 1983. Thus, the information given here on asset size and net worth condition refer only to the institutions in our sample, not to the entire set of NWC participants as of September 1984. (See Glossary, p. 20, for more information.)

[b]These net worth concepts, together with many of the other entries on this table, are defined in the glossary, p. 18.

[c]Pre-Garn-St Germain, June 1980 to December 1982.

[d]Post-Garn-St Germain, December 1982 to September 1984.

[e]The rate of return to GAAP net worth for NWC participants is not defined since both net income and GAAP net worth are negative. (See table 56.)

[f]Average interest rates received on assets is an approximation calculated by dividing income type by the corresponding asset type. Average interest rates paid on liabilities is calculated in a similar way using expenses and liabilities. These numbers can be affected dramatically by the timing of changes in the stocks and flows and by small numbers, particularly when looking at a subset of the industry.

[g]Market interest rates are taken from the Federal Reserve Bulletin, March 1983 and April 1985 (table 1.35).

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Table 1.2

Summary of Thrift Restructuring
(All figures are shown as percentages of total assets)

	All FSLIC-insured institutions			Net worth certificate participants		
	Dec. 1982	Sep. 1984	Change over period	Dec. 1982	Sep. 1984	Change over period
I. ASSETS						
A. MORTGAGE ASSETS						
Mortgages[a] (tables 14, 15)	71.45	65.99	- 5.46	71.74	67.42	- 4.32
Fixed rate mortgages (table 20)	72.11	53.24	-18.87	77.00	61.27	-15.73
Adjustable rate mortgages (table 20)	6.82	21.92	+15.10	3.22	17.22	+14.00
Mortgage-backed securities (tables 14, 15)	8.90	12.19	+ 3.29	9.12	12.56	+ 3.44
Net mortgage holdings (Mortgages + mortgage-backed securities; tables 14, 15)	77.29	74.07	- 3.22	79.26	77.88	- 1.38
B. NONMORTGAGE ASSETS (tables 17, 18)	22.71	25.93	+ 3.22	20.74	22.12	+ 1.38
Commercial loans	0.11	0.87	+ 0.76	0.02	0.45	+ 0.43
Consumer loans	2.88	3.37	+ 0.49	2.84	3.57	+ 0.70
Liquid assets	11.75	12.86	+ 1.11	9.50	9.87	+ 0.37
Fixed assets	1.47	1.31	- 0.16	1.66	1.44	- 0.22
Goodwill	2.41	2.47	+ 0.06	1.13	1.28	+ 0.15
II. LIABILITIES						
A. SOURCES OF FUNDS (tables 21, 22)						
FHLB advances	9.30	7.49	- 1.81	8.72	7.95	- 0.77
Other borrowings	4.95	6.56	+ 1.61	2.10	4.29	+ 2.19
Other liabilities	1.91	2.00	+ 0.09	1.39	1.64	+ 0.25
Deposits	80.15	80.10	- 0.05	86.15	84.75	- 1.40

Table 1.2 (Continued)

	All FSLIC-insured institutions			Net worth certificate participants		
	Dec. 1982	Sep. 1984	Change over period	Dec. 1982	Sep. 1984	Change over period
B. DEPOSIT COMPOSITION (tables 24, 25)						
Small deposits (less than $100,000)	71.63	68.42	- 3.21	82.34	80.18	- 2.16
Negoitable CDs	8.52	11.68	+ 3.16	3.81	4.57	+ 0.76
Time deposits	62.08	59.42	- 2.66	64.17	58.89	- 5.28
Transaction accounts	2.15	2.88	+ 0.73	2.27	2.86	+ 0.59
MMDAs[2]	—	10.95	+10.95	—	12.10	+12.10
Passbook savings	15.97	6.85	- 9.12	19.71	10.89	- 8.82
Brokered deposits	1.19	4.60	+ 3.41	0.39	0.90	+ 0.51

[a]The sum of fixed plus adjustable rate mortgages does not equal total mortgages because of differences in the definitions used by the FHLBB. Loans-in-process, a type of contra-asset, is subtracted from total mortgages, but not from fixed and adjustable rate mortgages.

[b]Money Market Deposit Accounts (MMDAs) were authorized to begin in mid-December 1982.

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Despite the poor net worth position of the industry, the average growth of assets was very high when compared, for example, with commercial banks. Between December 1982 and September 1984, FSLIC-insured institutions grew at an average annual rate of nearly 20 percent. This growth was not evenly spread across the industry. For example, state-chartered stock institutions grew at an average annual rate of about 40 percent for the same 2-year period, while mutual associations grew slower than the industry (tables 3 and 7, pp. 28 and 35).

On average, NWC participants had not recovered their financial health. Their GAAP net worth had fallen continuously, their profits were still negative, and as of September 1984, 56 of the set of 66 participating institutions (that existed through the entire period December 1982 to September 1984) were insolvent. Asset growth in these institutions lagged behind the industry, at an annual rate of 10 percent between December 1982 and September 1984.

INDUSTRY RESTRUCTURING

In the Monetary Control Act of 1980 and the Garn-St Germain Act of 1982, the Congress provided thrifts many new powers to enable them to restructure their assets and liabilities. On the asset side of the portfolio, there was an industry-wide shift away from mortgage loans and an increase in holdings of mortgage-backed securities (table 14, p. 46). Mortgage-backed securities are more liquid than mortgage loans because these securities are standardized with a stated yield and maturity. The other major asset change was a shift from fixed-rate (FRMs) to adjustable-rate mortgages (ARMs). After 1982, when data on ARMs were first reported, ARM holdings increased from about 7 percent to nearly 22 percent of assets, a 300 percent increase in just 2 years (table 20, p. 56). Overall, net mortgage holdings (mortgage loans plus mortgage-backed securities) of FSLIC-insured institutions fell about 11.5 percent between December 1977 and September 1984, from 85.6 percent to 74.1 percent (table 14, p. 46).

Increased authority to make consumer and commercial loans were also among the new powers granted to thrifts. These powers, which have the potential to make thrifts much more like banks, have received a great deal of public attention. Nevertheless, our results confirm other studies showing that the industry, on average, did not move quickly into these areas. Just over 4 percent of industry assets were held as consumer and commercial loans combined in September 1984 (table 17, p. 51).

On the liability side, the industry's reliance on deposits decreased, while uses of FHLB advances and other borrowed money

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increased over the whole period from December 1977 to September 1984 (table 21, p. 59). Reliance on small deposits, particularly passbook savings, decreased. The portfolio share of negotiable certificates of deposit, time deposits, transaction and money market deposit accounts, and brokered deposits increased (table 24, p. 65).

Net worth declined over the full period, when measured using regulatory, generally accepted accounting principle or tangible net worth accounting concepts (table 27, p. 72 and figures 18, 19, and 20, pp. 75-77).

In general, gross income for the industry rose over the time period studied (figure 31, p. 101), but as expenses have risen more rapidly (figure 34, p. 115), the industry was unprofitable during 1981 and 1982 and was only marginally profitable in 1983 and 1984 as compared, for example, to profits in 1977, 1978, and 1979 (figure 35, p. 120).

RESTRUCTURING BY THE NET WORTH CERTIFICATE PARTICIPANTS

Participants in the Net Worth Certificate program, in general, did less restructuring of their assets and liabilities than either the rest of the industry or the set of eligible nonparticipants. For example, participants made a smaller reduction in their dependence on mortgage loans and contracts (tables 14, 15, 16, pp. 46-48 and figures 7 and 8, pp. 49-50). They made a smaller shift toward commercial loans (tables 17, 18, and 19, pp. 51-53 and figure 10, p. 55) and toward liquid assets (figure 9, p. 54). They continued to rely more heavily on fixed-rate mortgages and used adjustable-rate contracts less, on average, than the other two groups (table 20, p. 56 and figure 11, p. 57).

In terms of liabilities, participants maintained a greater reliance on deposit sources of funds (figure 12, p. 62), particularly on small deposits (figure 15, p. 68) and passbook savings deposits (table 24, p. 65).

Participants' net worth position was worse than that of the two comparison groups, on average, regardless of which net worth concept is examined (tables 27, 28, and 29, pp. 72-74 and figures 18, 19, and 20, pp. 75-77).

NWC participants expenditures closely paralleled those of the two comparison groups (figure 34, p. 115). Total expense ratios were approximately equal to eligible nonparticipant

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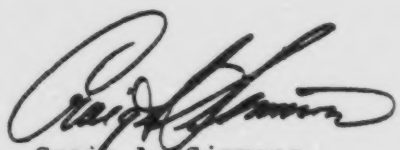
ratios throughout the period while slightly below the industry averages before 1981 and somewhat above them until the third quarter of 1984 (table 51, p. 114). NWC participants' income, however, was consistently below both the industry and nonparticipants' averages (figures 32 and 33, pp. 102-103). In particular, participants earned the lowest of the three groups' rates of return on mortgages (figure 28, p. 97). Consequently, NWC participants were, throughout the period studied, less profitable than the other two groups. In fact, they were unprofitable from the beginning of 1980 through the third quarter of 1984 (when our data end)(table 55, p. 122). Correspondingly, their net worth position (as measured by regulatory, GAAP, or tangible net worth) declined in all but one period from the end of 1979 onward (table 28, p. 73). In fact, GAAP net worth was negative on average for the group and still declining from mid-1982 onward.

LIMITATIONS OF THE PRESENT STUDY

In the present study we computed totals and averages (means) for the industry and for the two subgroups, NWC participants and eligible nonparticipants. We did not look at the behavior of individual institutions or at the variation around the mean values. We also made no attempt to empirically analyze, or explain, the results we found.

The data used to generate our results were derived from tapes produced by the FHLBB. We verified consistency between our data and those contained on the Bank Board's tapes. We did not check the accuracy of the Bank Board's coding and transcription, nor did we check the accuracy of the Financial Statements prepared by the thrift institutions themselves.

Copies of this report are being sent to the Chairman of the Federal Home Loan Bank Board and the Director of the Federal Savings and Loan Insurance Corporation. We will also make copies available to other interested parties upon request.



Craig A. Simmons
Associate Director

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ABBREVIATIONS

FHLB	Federal Home Loan Bank
FHLBB	Federal Home Loan Bank Board
FSLIC	Federal Savings and Loan Insurance Corporation
GAAP	Generally Accepted Accounting Principles
ENP	Eligible Nonparticipant
EP	Eligible Participant in the Net Worth Certificate program
MMDA	Money Market Deposit Account
RAP	Regulatory Net Worth
S&L	Savings and Loan Association
SB	Savings Bank
TAP	Tangible Net Worth

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GLOSSARY

Accrued Net Worth Certificates	Capital certificates that will be issued by the institution to the FSLIC at the end of the current reporting period. Only those institutions that have received written assurance of NWC purchases from their Supervisory Agent may make such accruals.
Adjustable Rate Mortgages	Refers to first mortgage loans whose interest rates may be periodically adjusted during the life of the mortgage.
Appraisal Increment	The excess of appraised value over net book value of any office, land, or building owned by a service corporation of a thrift.
Appraised Equity Capital	The excess of appraised value over book value of office land, buildings and improvements of the insured institution or of any of its subsidiaries. The appraisal is a "one time only" appraisal as permitted by the institution's principal regulator.
Assets	Total S&L assets consist of mortgage loans and contracts, nonmortgage loans, repossessed assets, real estate investments, liquid assets, fixed assets, and "other" assets.
Brokered Deposits	Deposits received from brokers or dealers for the account of others.
Charter Types	FSLIC-insured institutions may be federally or state chartered. They may have mutual or stock ownership. They include savings and loan associations and savings banks.
Commercial Loans	Secured and unsecured loans for commercial purposes. They exclude mortgage loans and include construction loans and overdrafts to commercial demand deposits.

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Consumer Loans	Loans on deposits, home improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and mobile home loans.
Contra-Assets	Contra-assets to mortgage or nonmortgage loans consist of loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances. Contra-assets are subtracted from the gross value of mortgage or nonmortgage loan values to obtain net values.
Deposits	Passbook accounts, transaction accounts, certificates of deposits, and other deposits.
Deferred Losses	An FHLBB regulation permits FSLIC-insured institutions to defer over time any losses (or gains) incurred on the sale of assets.
Direct Investments	Real estate investments acquired or held for development, resale, or investment.
Eligible Nonparticipants	A set of 577 institutions, their names provided by the FHLBB, that met the major criteria for eligibility to participate in the Net Worth Certificate program as of 12/82 and 6/83. That is, they had regulatory net worth between 0.5 percent and 3.0 percent of assets and had incurred losses in the two previous quarters. Given a careful consideration of all the conditions for eligibility, it is likely that some of these institutions would not have proven to be eligible for the program. Thus, it might be more correct to call them potentially eligible nonparticipants. Nevertheless, these institutions are generally similar to each other and relatively similar in their income and net worth positions to the actual participants in the Net Worth Certificate program.

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Eligible Participants	In our study we use a set of 67 institutions that, according to a list given us by the FHLBB, had received net worth certificates prior to 1984. Since that date, more institutions have received NWCs. Two institutions that received NWCs early in the program were omitted from the Bank Board's list and are therefore omitted from our data set. One other omission from the list of NWC participants should also be noted. We removed several institutions that had acquired their NWCs by merger rather than by application.
Expense	FSLIC-insured institutions report their expenditures either as operating expense, interest charges, or nonoperating expense.
FHLB Advances	All borrowings from a Federal Home Loan Bank.
Federally Chartered	S&Ls or savings banks that received their charters from the Federal Home Loan Bank Board.
Fixed Assets	The net value of office buildings, land, and improvements that the institution owns and uses for the transaction of its business.
Fixed-Rate Mortgages	First mortgage loans that have neither a variable-rate nor a balloon payment but rather an interest rate that does not change over the entire term of the loan.
Futures/Options Hedging Assets/Liabilities	Contracts made for the future delivery of an item at a fixed date for a fixed price. The buyer of a futures contract will typically make an offsetting sale of the contract before the contract matures.

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GAAP Net Worth	The sum of preferred stock; permanent, reserve, or guaranty stock; paid-in surplus; income capital certificates; reserves; retained earnings; and net undistributed income; less deferred net losses (gains) on loans and other assets sold. These items are recognized under the Generally Accepted Accounting Principles defined by the Financial Accounting Standards Board.
Goodwill and Other Intangible Assets	The premium over book value of an institution's assets that an acquiring institution pays during a merger or acquisition.
Gross Mortgage Loans and Contracts	The book value of mortgage loans and mortgage-backed securities before the subtraction of contra-assets.
Income	FSLIC-insured institutions report their earnings as operating or nonoperating income.
Income Capital Certificates	Certificates issued to the FSLIC by institutions seeking supplementary net worth. A regulatory program conceived and operated by the FSLIC.
Liabilities	Consist of deposits, borrowings, and other liabilities.
Liquid Assets	Cash, demand deposits, U.S. government and agency securities, other financial investments (including mortgage-backed securities that are not pass-throughs), and accrued interest receivable.
Money Market Deposit Accounts	Accounts mandated by the Garn-St Germain Act that are of unspecified maturity, pay unregulated interest rates, and have limited transactions features.
Mortgage Loans	Loans that are secured by property, specifically residential property. Typically the principal asset of an S&L or SB. They may be guaranteed by the Federal Housing Administration or the Veterans' Administration. Where not guaranteed they are called "conventional loans."

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Mortgage-backed Securities (Bonds)	Consist only of securities of the pass-through type. (Nonpass-throughs are included as financial investments.) These securities are backed by a bundle of mortages and are designed to appeal to investors that would not normally hold mortgages for investment. Mortgages can be prepaid and, thus, the actual maturity is not under the control of the investor. Mortgage-backed securities have a pre-determined maturity that is not affected by the mortgagee's action. Moreover, the yield and the value of the security are known to the investor, reducing uncertainty and making the investment more attractive.
Mortgage Loans and Contracts	Gross mortgage loans and contracts consist of mortgage loans and mortgage-backed securities. Excluding contra-assets to mortgage loans produces net mortgage loans and contracts.
Mutual Capital Certificates	A regulatory creation of the FHLBB allowing mutual institutions to increase their regulatory net worth.
Negotiable CDs	Negotiable certificates of deposit with balances greater than $100,000.
Net Mortgage Loans and Contracts	Gross mortgage loans and contracts less contra-assets to mortgage loans and contracts.
Net Worth Certificates	Created by the Garn-St Germain Act, these certificates are issued by a qualified FSLIC-insured institution to the FSLIC for the purpose of increasing the institution's regulatory net worth.
Nonoperating Expense	The provision for losses on the sale of real estate, investment securities, loans, and other assets.
Nonoperating Income	Profit earned from the sale of real estate, investment securities, loans and other assets.

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Operating Expense	Directors' fees; officers' and employees' compensation; legal expense; directors', officers', and employees' expense; office occupancy expense; furniture, fixtures, equipment and automobile expense; advertising; commissions and fees paid; amortization of goodwill and of deferred losses; and other operating expense.
Operating Income	Consists of interest earned, fees received, amortized deferred gains, and net income received from real estate owned, from service corporations and subsidiaries, and from leasing operations.
Other Borrowed Money	Consists of loans from commercial banks, reverse repurchase agreements, consumer retail repurchase agreements, overdrafts in an institution's demand deposit assets, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bonds issued, and other borrowings.
Passbook Savings Accounts	Deposits that are not of fixed maturity and are not transaction accounts nor money market deposit accounts.
Pass-through Securities (Mortgage-backed)	Instruments backed by mortgages which repay principal and interest to the holder regardless of whether it has been collected on the mortgages.
Permanent, Reserve, or Guaranty Stock	Par value of common stock outstanding.
Qualifying Subordinated Debentures	Subordinated debt determined by FHLBB regulation as qualifying for inclusion in net worth.

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Regulatory Net Worth	The sum of preferred stock; permanent, reserve, or guaranty stock; paid-in surplus; qualifying mutual capital certificates; qualifying subordinated debentures; appraised equity capital; net worth certificates; accrued net worth certificates; income capital certificates; reserves; undivided profits (retained earnings); and net undistributed income.
Repurchase Agreements (Repos)	Securities bought or sold under the agreement to resell or repurchase at a future date. Also referred to as reverse repos.
Small Deposits	Deposits less than or equal to $100,000 in denomination.
State-Chartered	S&Ls or SBs that are chartered by a state, rather than by the FHLBB.
Subordinated Debentures	Reported as "borrowings" where their remaining period to maturity is less than one year or when not qualifying as net worth.
Tangible Net Worth	Equals GAAP net worth (see above) less goodwill and other intangible assets.
Time Deposits	Deposits of stated, fixed maturity.
Transaction Accounts	Demand deposits, negotiable order of withdrawal (NOW) accounts, super NOW accounts, and other transaction accounts.
Valuation Allowances	Reserves established to adjust the book values of assets.

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APPENDIX I

ASSET GROWTH, CHARTER DISTRIBUTION, AND NET WORTH CERTIFICATE DISTRIBUTION

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Table 1

Institutions Insured by the Federal Savings and Loan Insurance Corporation by Charter Type[a]

	S&Ls			Savings Banks			Total number of institutions
	Federal charter	State charter	Subtotal	Federal charter	State charter	Subtotal	
			December 1977				
Mutual charters	1,872	1,149	3,021	107	0	107	
Stock charters	208	657	865	61	1	62	
Subtotal	2,080	1,806	3,886	168	1	169	4,055
			June 1980				
Mutual charters	1,845	1,114	2,959	108	0	108	
Stock charters	212	678	890	63	1	64	
Subtotal	2,057	1,792	3,849	171	1	172	4,021
			September 1984				
Mutual charters	1,292	810	2,102	118	0	118	
Stock charters	196	642	838	78	1	79	
Subtotal	1,488	1,452	2,940	196	1	197	3,137

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Note: [a]The information in our records which identifies each individual institution is the information which was reported on the September 1984 FHLBB Quarterly Financial Statement or on the last FHLBB Report of Condition prior to an institution's failure. It does not identify any prior changes, such as merger involvement (acquired or acquiring) or charter conversions, that may have occurred. Thus, if an S&L switched from a federal mutual to a federal stock charter in 1983, for instance, that institution is treated as having a federal stock charter type throughout our sample period (1977-84).

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Table 2

Participation In The Net Worth Certificate Program By Charter Type - September 1984[a]

	Federal Charter			State Charter			
	NWC participants[b]	Eligible nonparticipants[c]	Noneligible nonparticipants	NWC participants	Eligible nonparticipants	Noneligible nonparticipants	Total
			SLs - FSLIC-Insured				
Mutual charters	49	281	962	12	109	689	2,102
Stock charters	1	45	150	3	104	535	838
Total	50	326	1,112	15	213	1,224	2,940
			Savings Banks - FSLIC-Insured				
Mutual charters	2	22	94	0	0	0	118
Stock charters	0	15	63	0	1	0	79
Total	2	37	157	0	1	0	197
Total number of institutions insured by the FSLIC:							3,137

Source: FHLBB Semiannual and Quarterly Financial Statement, September 1984.

Notes: [a]See table 1, note [a] for a discussion of charter-type conversions and mergers in our data set.

[b]Our set of net worth participants consists of 67 institutions that received Net Worth Certificates prior to 1984. Two other institutions that received NWC early in the program are not included in our set because the FHLBB did not inform us of their participation. We have also deleted some institutions from our list because they acquired their NWC through merger and may not, themselves, have been eligible to participate in the program.

[c]The eligible nonparticipants are institutions that appeared to meet the major criteria of eligibility for Net Worth Certificates as determined by the FHLBB as of mid-1983.

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APPENDIX I

Table 3

Asset Growth (1977-1984)[a]

	Annual Growth Rates		
	Dec. 77-Jun. 80[b]	Jun. 80-Dec. 82[c]	Dec. 82-Sep. 84[d]
All institutions	12.73	5.99	19.09
NWC participants	10.13	7.37	10.01
Eligible nonparticipants	15.39	17.69	16.86

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]The period from December 1977 through June 1980 covers the time before the Depository Institutions Deregulation and Monetary Control Act was passed.

[c]The period from June 1980 through December 1982 covers the time before the Garn-St Germain Act was passed.

[d]The period December 1982 through September 1984 covers the time in which Garn-St Germain was in effect.

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APPENDIX I

Table 4

Asset Growth Trends Among FSLIC-Insured Institutions[a]

	Industry		NWC Participants		Eligibile Nonparticipants	
	No.	%	No.	%	No.	%
Number	3,041		66		575	
Declining[b]	132	4.3	6	9.1	36	6.3
Growing at annual rate:						
0-4.9 percent	455	15.0	14	21.2	89	15.5
5-14.9 percent	1,250	41.1	28	42.4	210	36.5
15-24.9 percent	485	16.0	13	19.7	98	17.0
25 percent and over	719	23.6	5	7.6	142	24.7
Total		100.0		100.0		100.0

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Growth or decline measured at annual rates over the period December 1982 through September 1984.

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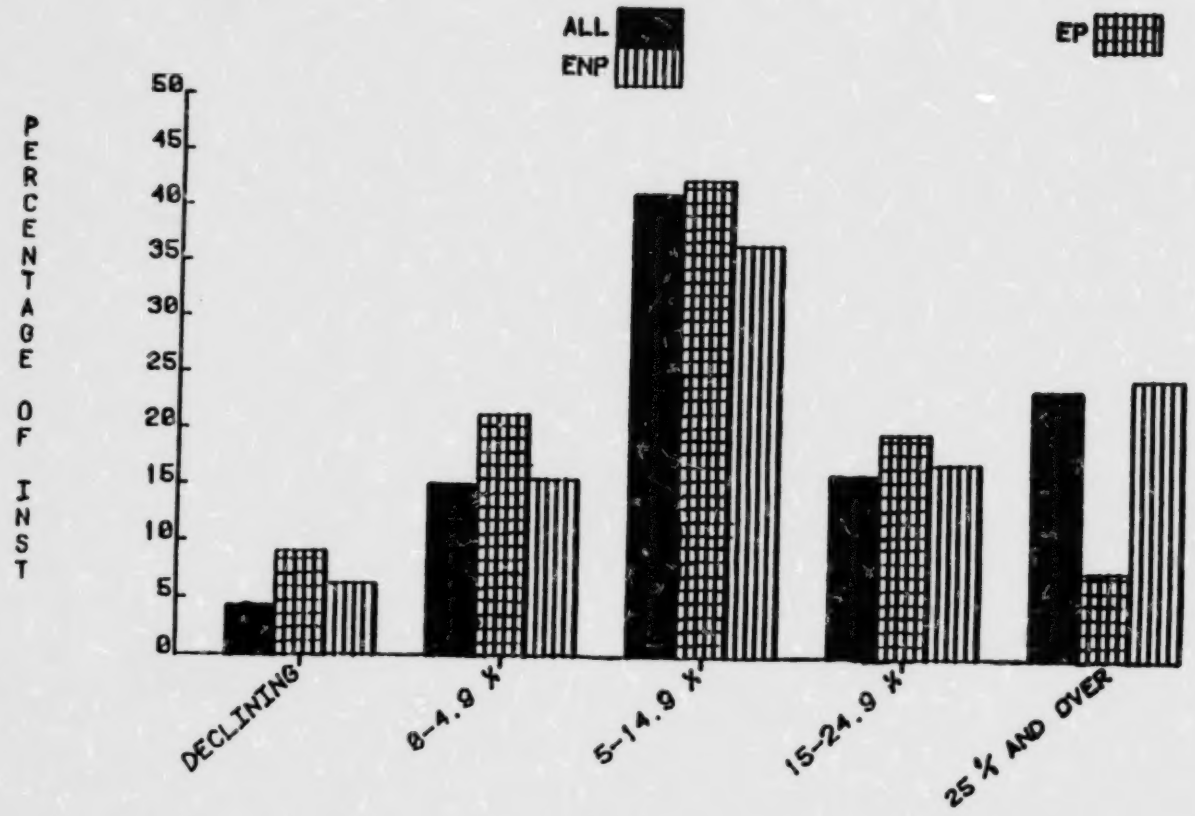
Figure 1

ASSET GROWTH TRENDS
ALL FSLIC INSTITUTIONS



Source: Table 4 December '82 to September '84, annual rates

APPENDIX I

Table 5

Asset Growth Among Insolvent FSLIC-Insured Institutions[a,b]

	Industry		NWC participants		Eligible nonparticipants	
	No.	%	No.	%	No.	%
Number	414		56		175	
Declining[c]	43	10.4	5	8.9	23	13.1
Growing at annual rate:						
0-4.9 percent	70	16.9	10	17.9	30	17.1
5-14.9 percent	163	39.4	26	46.4	58	33.1
15-24.9 percent	61	14.7	11	19.6	25	14.3
25 percent and over	77	18.6	4	7.1	39	22.3
Total[d]		100.0		99.9		99.9

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Insolvent institutions are those having negative net worth as measured under GAAP in the September 1984 Report of Condition.

[c]Growth or decline is measured at annual rates over the period, December 1982 through September 1984.

[d]Percentages may not sum to 100.0 because of rounding.

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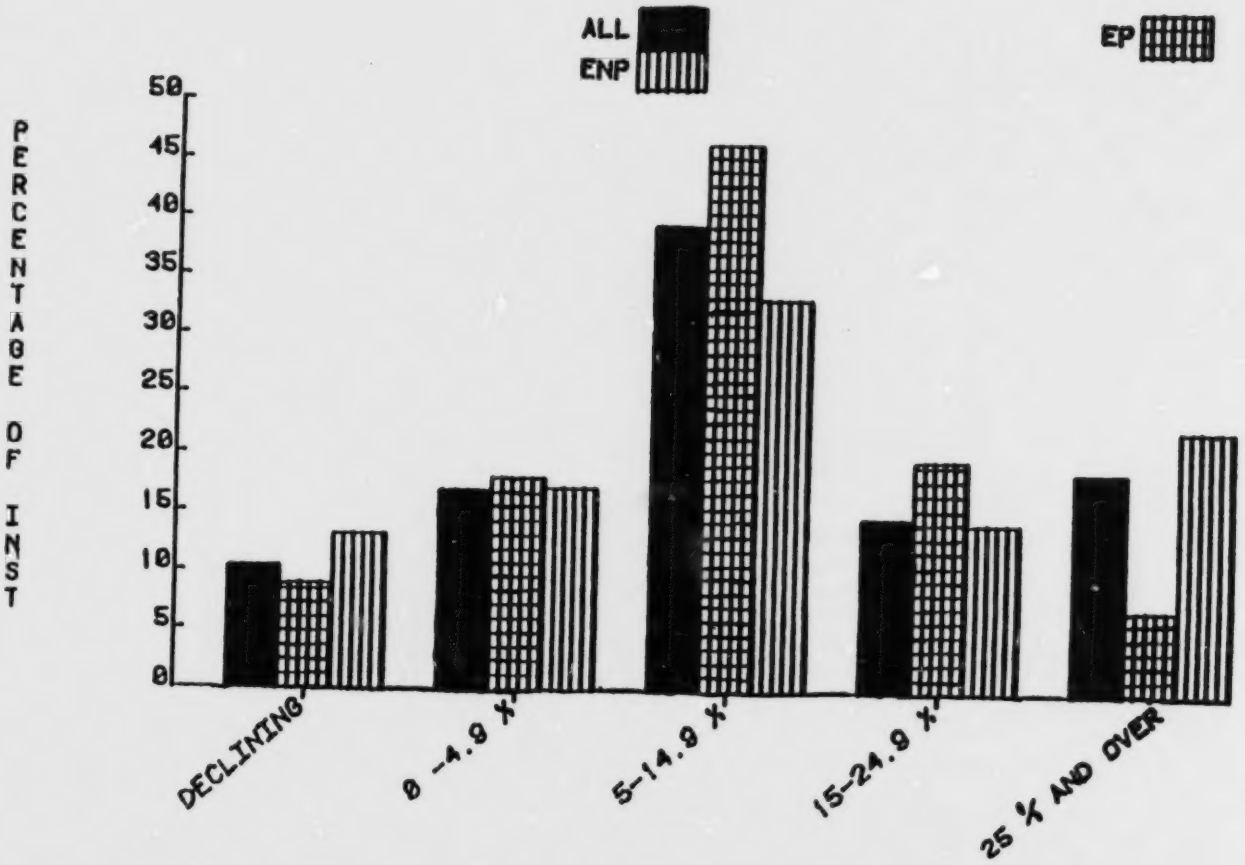
Figure 2

ASSET GROWTH TRENDS
FSLIC INSOLVENT INSTITUTIONS



Source: Table 5 December '82 to September '84, annual rates

APPENDIX I

Table 6

Asset Growth Among Low Net Worth Institutions[a,b]

	Industry		NWC participants		Eligible nonparticipants	
	No.	%	No.	%	No.	%
Number	886		10		312	
Declining[c]	32	3.6	1	10.1	11	3.5
Growing						
0-4.9 percent	115	13.0	4	40.0	53	17.0
5-14.9 percent	301	34.0	2	20.0	116	32.2
24.9 percent	155	17.5	2	20.0	57	18.3
25 percent and over	283	31.9	1	10.0	75	24.0
Total[d]		100.0		100.0		100.0

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Low Net Worth Institutions are those having net worth between zero and 3 percent of assets, as measured under GAAP in September 1984.

[c]Growth or decline is measured at annual rates over the period, December 1982 through September 1984.

[d]Percentages may not sum to 100.0 because of rounding.

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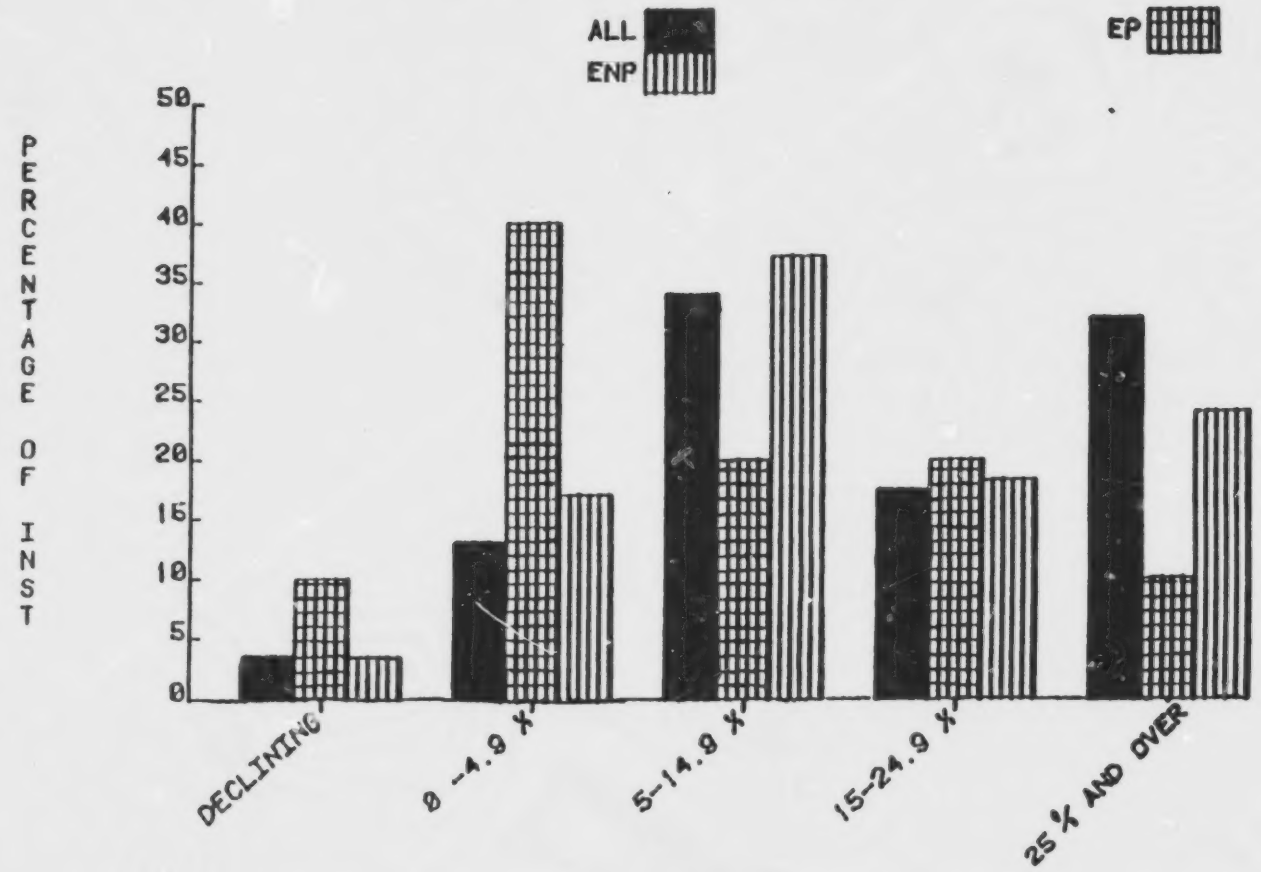
Figure 3

ASSET GROWTH TRENDS
LOW NET WORTH INSTITUTIONS



Source: Table 6 December '82 to September '84 annual rates

APPENDIX I

Table 7

Asset Growth Trends by Charter Type[a]

	Annual Growth Rates		
	Dec. 77-Jun. 80[b]	Jun. 80-Dec. 82[c]	Dec. 82-Sep. 84[d]
S&Ls			
Federal mutual	10.84	-0.68	9.57
Federal stock	16.75	19.58	19.26
State mutual	9.50	0.95	10.80
State stock	15.72	8.29	40.48
Savings Banks			
Federal mutual	13.37	11.74	24.30
Federal stock	17.94	16.88	21.72
State mutual[e]	N/A	N/A	N/A
State stock[f]	24.40	-4.47	137.64

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 1, note [a] for a discussion of charter-type conversions and mergers in our data set.

[b]The period December 1977 through June 1980 covers the time before the Depository Institutions Deregulation and Monetary Control Act was passed.

[c]The period from June 1980 through December 1982 covers the time before the Garn-St Germain Act was passed.

[d]The period December 1982 through September 1984 covers the time in which Garn-St Germain was in effect.

[e]There are no state mutual saving banks.

[f]There is only one state stock savings bank.

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Table 8

Asset Growth for All FSLIC-Insured Institutions by Charter Type[a] December 1982 - September 1984

	Industry	S&Ls				SBs	
Institutions	All	FM	FS	SS	SM	FM	FS
Number[b,c]	3,041	1,291	189	576	808	109	67
Percentage: Declining	4.3	4.8	6.9	3.3	3.8	5.5	1.5
Growing at annual rate							
0-4.9 percent	15.0	19.5	3.2	6.8	18.1	9.2	3.0
5-14.9 percent	41.1	49.2	25.4	17.2	48.6	48.6	32.8
15-24.9 percent	16.0	13.8	24.9	13.2	18.2	20.2	22.4
25 percent and over	23.6	12.7	39.7	59.6	11.3	16.5	40.3
Total[d]	100.0	100.0	100.1	100.1	100.0	100.0	100.0

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 - September 1984.

Notes: [a]See table 1, note [a] for a discussion of charter-type conversion and mergers in our data set.

[b]The one state stock savings bank is omitted. Moreover, this table includes only those institutions having positive assets at both the beginning and the end of the period. Thus, 96 fewer institutions are included than the total number of institutions existing in September 1984. (See table 1.)

[c]The annual percentage growth rates of total assets are for the period December 1982 through September 1984. Data are for savings and loan associations (S&Ls) and savings banks (SBs) that have federal mutual (FM), federal stock (FS), state stock (SS) or state mutual (SM) charters.

[d]Percentages may not sum to 100.0 because of rounding.

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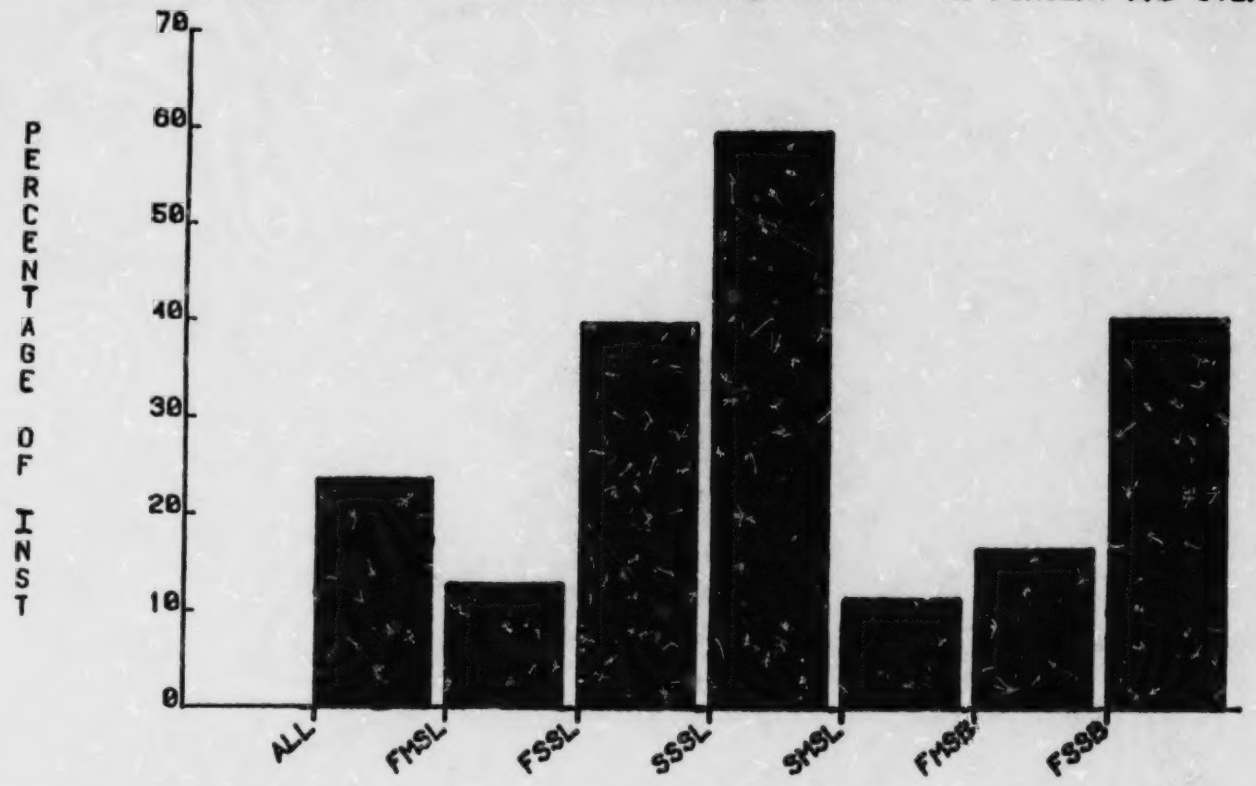
Figure 4

ASSET GROWTH BY CHARTER TYPE
ALL FSLIC INSTITUTIONS
PERCENTAGE WITHIN CHARTER TYPE WITH GROWTH 25 PERCENT AND OVER



Source: Table 8 December'82 to September '84, annual rates

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APPENDIX I

APPENDIX I

Table 9

Asset Growth of Insolvent Institutions by Charter Type[a,b] December 1982 - September 1984

	Industry	S&Ls			SBs		
Institutions	ALL	FM	FS	SS	SM	FM	FS
Number[c,d]	414	260	14	42	82	13	3
Percentage: Declining	14.6	10.0	50.0	2.4	9.8	7.7	0.0
Growing at annual rate							
0-4.9 percent	20.1	17.3	0.0	21.4	18.3	7.7	00.0
5-14.9 percent	34.6	45.0	7.1	19.1	32.9	69.2	33.3
15-24.9 percent	15.5	11.9	7.1	19.1	23.2	7.7	33.3
25 percent and over	15.3	15.8	35.7	38.1	15.9	7.7	33.3
Total[e]	100.1	100.0	99.9	100.1	100.1	100.0	99.9

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]See table 1, note [a] for a discussion of charter-type conversions and mergers in our data set.

[b]Insolvent institutions are those having less than zero net worth, as measured under GAAP in September 1984.

[c]This table includes only those institutions having positive assets at both the beginning and the end of the period. Thus, three fewer institutions are included than the total number of insolvent institutions existing in September 1984.

[d]The percentage growth rates of total assets are for the period December 1982 through September 1984. Data are for savings and loan associations (S&Ls) and savings banks (SBs) that have federal mutual (FM), federal stock (FS), state stock (SS) or state mutual (SM) charters.

[e]Percentages may not sum to 100.0 because of rounding.

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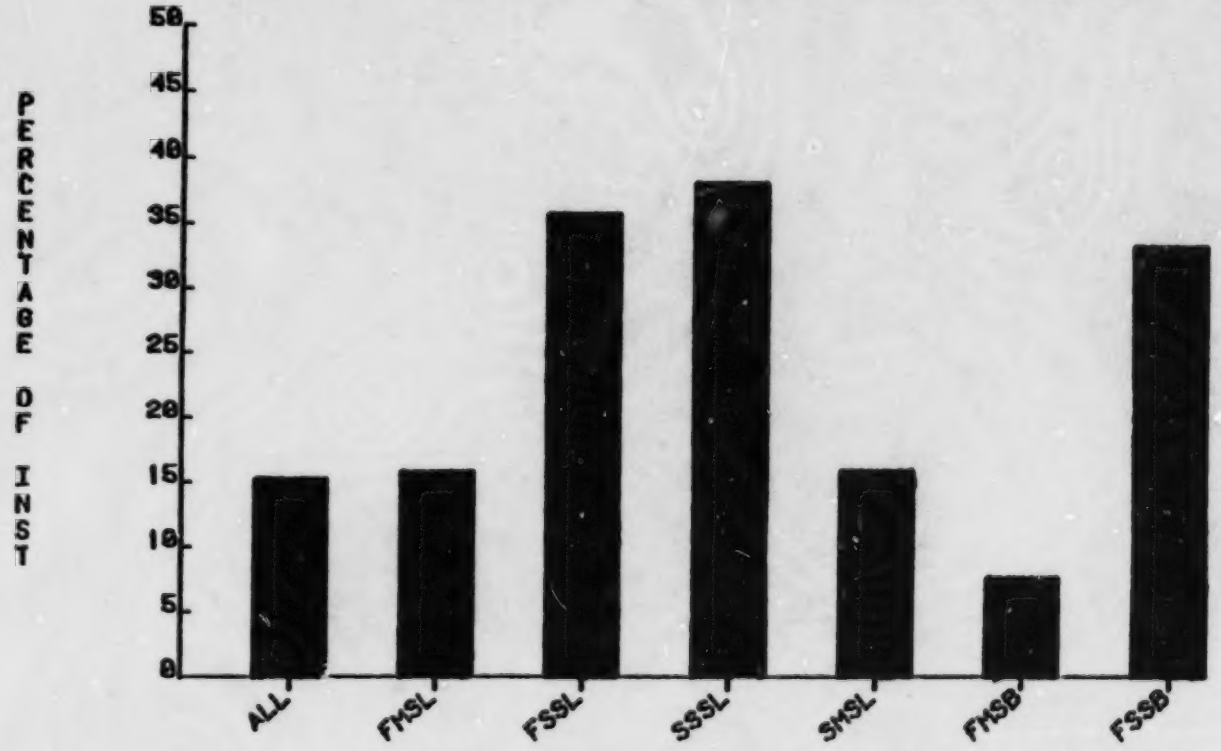
Figure 5

ASSET GROWTH BY CHARTER TYPE
FSLIC INSOLVENT INSTITUTIONS
PERCENTAGE WITHIN CHARTER TYPE WITH GROWTH 25 PERCENT AND OVER



Source: Table 9 December '82 to September '84, annual rates

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APPENDIX I

Table 10

Asset Growth of Low Net Worth Institutions by Charter Type[a,b] December 1982 - September 1984

	Industry	S&Ls			SBs		
Institutions	All	FM	FS	SS	SM	FM	FS
Number[c,d]	886	382	61	195	188	43	17
Percentage: Declining	3.6	3.4	3.3	2.6	4.8	7.0	0.0
Growing at annual rate							
0-4.9 percent	13.0	19.1	6.6	5.6	13.2	2.3	5.9
5-14.9 percent	34.0	43.2	19.7	12.3	41.5	46.5	11.8
15-24.9 percent	17.5	16.8	14.8	12.9	22.3	23.3	29.4
25 percent and over	31.9	17.5	55.7	66.7	18.1	20.9	52.9
Total[e]	100.0	100.1	100.1	100.1	100.0	100.0	100.0

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]See table 1, note [a] for a discussion of charter-type conversions and mergers in our data set.

[b]Low net worth institutions are those having between 0 and 3 percent net worth, as measured under GAAP in September 1984.

[c]This table includes only those institutions having positive assets at both the beginning and the end of the period. Thus, 10 fewer institutions are included the total number of low net worth institutions existing in September 1984.

[d]The percentage growth rates of total assets are for the period December 1982 through September 1984. Data are for savings and loan associations (S&Ls) and savings banks (SBs) that have federal mutual (FM), federal stock (FS), state stock (SS) or state mutual (SM) charters.

[e]Percentages may not sum to 100.0 because of rounding.

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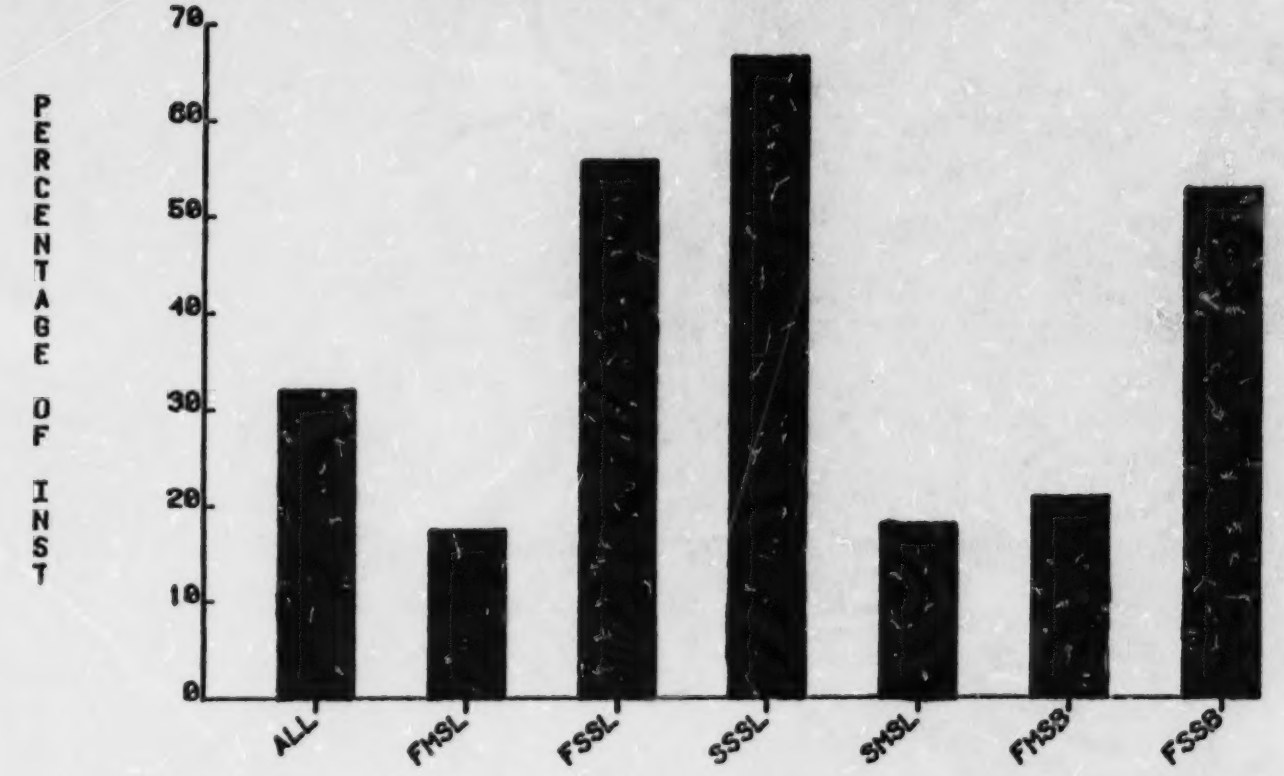
Figure 6

ASSET GROWTH BY CHARTER TYPE
LOW NET WORTH INSTITUTIONS
PERCENTAGE WITHIN CHARTER TYPE WITH GROWTH 25 PERCENT AND OVER



Source: Table 10 December '82 to September '84, annual rates

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APPENDIX I

Table 11

FSLIC-Insured Institutions by State - September 1984

State	No. of institutions[a]	Percentage of Institutions		
		Insolvent[b]	Low net worth[c]	Growth at 25% and over[d]
Alabama	36	8.3	36.1	11.1
Alaska	5	0.0	0.0	20.0
Arizona	8	0.0	25.0	62.5
Arkansas	39	5.1	41.0	46.2
California	163	6.8	42.3	69.3
Colorado	36	8.3	19.4	38.9
Connecticut	34	11.8	26.5	20.6
Delaware	4	0.0	75.0	50.0
Dist. of Columbia	7	28.6	57.1	14.3
Florida	106	10.4	40.6	38.7
Georgia	64	18.8	31.3	17.2
Hawaii	6	16.7	50.0	16.7
Idaho	9	33.3	11.1	33.3
Illinois	273	21.3	31.9	14.3
Indiana	116	8.6	19.8	5.7
Iowa	52	11.5	40.4	7.7
Kansas	62	9.7	30.7	38.7
Kentucky	70	14.3	24.3	4.3
Louisiana	107	19.6	36.5	33.6
Maine	14	0.0	14.3	0.0
Maryland	55	21.8	23.6	10.9
Massachusetts	26	3.9	15.4	7.7
Michigan	51	19.6	33.3	13.7
Minnesota	38	29.0	31.6	7.9
Mississippi	44	15.9	40.9	27.3
Missouri	83	15.7	32.5	9.6
Montana	11	18.2	27.3	9.1
Nebraska	25	28.0	40.0	12.0
Nevada	7	0.0	33.3	16.7
New Hampshire	13	7.7	0.0	23.1
New Jersey	139	18.0	27.3	22.3
New Mexico	24	25.0	16.7	29.2
New York	80	25.0	16.3	6.3
North Carolina	115	7.8	20.0	7.0
North Dakota	6	50.0	16.7	16.7
Ohio	217	14.6	24.9	10.6
Oklahoma	52	11.5	25.0	32.7
Oregon	21	23.8	33.3	28.6
Pennsylvania	178	3.4	21.4	11.8
Rhode Island	4	25.0	50.0	0.0
South Carolina	43	11.6	41.9	9.3
South Dakota	13	23.1	46.2	23.1
Tennessee	70	18.6	35.7	18.6
Texas	261	14.0	30.3	54.0
Utah	15	6.7	20.0	26.7
Vermont	4	0.0	0.0	25.0
Virginia	66	13.6	39.4	42.4
Washington	43	14.0	27.9	27.9
West Virginia	19	5.3	15.8	15.8
Wisconsin	83	2.4	10.8	6.0
Wyoming	12	0.0	33.3	8.3
Other[e]	13	7.7	38.5	46.2
Total	3,042	13.8	29.1	23.6

Source: FHLBB Semiannual and Quarterly Financial Statements, Dec. 1982-Sep. 1984.

Notes:

[a]This table includes only those institutions having positive assets at both the beginning and the end of the period. Thus, the number of institutions included is 96 fewer than the total number of institutions existing September 1984.

[b]Insolvent institutions are those having negative GAAP net worth in September 1984.

[c]Low net worth associations are those with GAAP net worth between 0 and 3 percent in September 1984.

[d]Growing at an annual percentage rate of 25 percent or more per annum over the period December 1982 through September 1984.

[e]"Other" indicates American Samoa, Guam, Northern Mariana Is., Puerto Rico, Trust Territory of the Pacific Is., and the U.S. Virgin Islands.

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Table 12

Distribution by State of FSLIC-Insured Institutions Receiving Net Worth Certificate Assistance Before 1984[a]

State	No. of institutions[b]	Percentage of Institutions: Insolvent[c]	Low net worth[d]	Growth at 25% and over[e]
California	2	100.0	0	50.0
Georgia	2	50.0	50.0	0
Illinois	13	92.3	7.7	0
Indiana	3	100.0	0	0
Iowa	2	50.0	50.0	0
Kansas	2	100.0	0	50.0
Kentucky	1	100.0	0	0
Louisiana	3	100.0	0	0
Maryland	1	100.0	0	0
Massachusetts	1	100.0	0	0
Michigan	2	100.0	0	0
Minnesota	1	100.0	0	0
Mississippi	1	100.0	0	0
Missouri	3	100.0	0	0
Montana	1	0	100	0
Nebraska	3	66.7	33.3	0
New Jersey	8	62.5	37.5	25.0
New York	11	81.8	18.2	9.1
North Carolina	1	100.0	0	0
Ohio	1	100.0	0	0
Rhode Island	1	100.0	0	0
Texas	1	100.0	0	0
Virginia	1	100.0	0	0
Wisconsin	1	100.0	0	0

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]Our set of net worth participants consists of 66 institutions that received Net Worth Certificates (NWCs) before 1984 and that had positive assets in both December 1982 and September 1984. Two other institutions that received NWCs early in the program are not included in our set because the FHLBB did not inform us of their participation. We have also deleted some institutions from our list because they acquired their NWCs through merger and may not, themselves, have been eligible to participate in the program.

[b]This table includes only those institutions having positive assets at the beginning and the end of the period. Thus, the number of institutions included is one smaller than the total number of NWC participants in our data set as of December 1982.

[c]Institutions with negative GAAP net worth in September 1984.

[d]Institutions with GAAP net worth between 0 and 3 percent in September 1984.

[e]Growing at an annual percentage rate of 25 percent or more the period December 1982 through September 1984.

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APPENDIX I

Table 13

Distribution By State of FSLIC-Insured Eligible Nonparticipants in the Net Worth Certificate Program

	No. of Institutions[a]	Percentages of Institutions		
		Insolvent[b]	Low net worth[c]	Growth at 25% and over[d]
Alabama	7	14.3	57.1	0
Arizona	4	0	25	50.0
Arkansas	10	0	90	60.0
California	15	0	80	60.0
Colorado	1	100.0	0	0
Connecticut	5	40	60	0
District of Columbia	5	40	60	0
Florida	38	15.8	52.6	29.0
Georgia	18	27.8	44.4	16.7
Hawaii	2	0	50.0	0
Idaho	2	100	0	50.0
Illinois	73	35.6	61.6	19.2
Indiana	15	26.7	60.0	6.7
Iowa	8	25.0	62.5	12.5
Kansas	10	30.0	60.0	60.0
Kentucky	12	50.0	50.0	0
Louisiana	24	29.2	66.7	41.7
Maine	1	0	0	0
Maryland	11	36.4	63.6	27.3
Massachusetts	3	0	33.3	0
Michigan	12	50.0	33.3	16.7
Minnesota	10	40	40	0
Mississippi	12	16.7	58.3	50.0
Missouri	19	31.6	57.9	10.5
Montana	2	50.0	50.0	0.0
Nebraska	9	33.3	66.7	11.1
New Hampshire	1	100.0	0	0.0
New Jersey	33	42.4	42.4	33.3
New Mexico	7	71.4	0	42.9
New York	7	42.9	28.6	14.3
North Carolina	15	26.7	60.0	6.7
North Dakota	1	100.0	0.0	0.0
Ohio	28	57.1	32.1	14.3
Oklahoma	12	16.7	66.7	41.7
Oregon	6	66.7	33.3	0.0
Pennsylvania	19	10.5	68.4	5.3
Rhode Island	1	0	100.0	0.0
South Carolina	8	37.5	37.5	12.5
South Dakota	6	16.7	66.7	50.0
Tennessee	15	20.0	73.3	0.0
Texas	40	30.0	42.5	45.0
Utah	5	0.0	40.0	20.0
Virginia	25	28.0	64.0	44.0
Washington	4	50.0	50.0	25.0
West Virginia	3	0	66.7	33.3
Wisconsin	6	16.7	83.3	0
Other[e]	5	20.0	40.0	40.0

Source: FHLBB Semiannual and Quarterly Financial Statements, December 1982 and September 1984.

Notes: [a]This table includes only those institutions having positive assets at both the beginning and the end of the period. Thus, the number of institutions included is two fewer than the total number of eligible nonparticipants existing in December 1982.

[b]Institutions with negative GAAP net worth in September 1984.

[c]Institutions with GAAP net worth between 0 and 3 percent in September 1984.

[d]Growing at an annual percentage rate of 25 percent or more per annum over the period December 1982 through September 1984.

[e]"Other indicates American Samoa, Guam, Northern Mariana Is., Puerto Rico, Trust Territory of the Pacific Is., and the U.S. Virgin Islands.

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APPENDIX II

ASSET COMPOSITION

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Table 14

Mortgage Assets of All FSLIC-Insured Institutions (1977-1984)

	Percentages of Total Assets		
	Mortgage loans[a]	Mortgage-backed securities[b]	Net mortgage loans and contracts[c]
1977.2[d]	85.38	2.91	85.63
1978.1	85.36	3.13	86.07
2	84.77	3.23	85.90
1979.1	83.99	3.39	85.36
2	83.71	3.59	85.66
1980.1	82.04	3.87	84.82
2	81.12	4.43	84.25
1981.1	80.66	4.73	84.28
2	79.06	5.13	83.01
1982.1	75.84	6.96	80.83
2	71.45	8.90	77.29
1983.1	68.00	10.65	75.14
2	67.38	11.37	74.65
1984.1[e]	66.29	11.91	74.10
2	66.10	12.29	74.20
3	65.99	12.19	74.07
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Mortgage loans include Federal Housing Administration, Veterans Administration, and other insured or guaranteed loans plus conventional mortgage loans.

[b]Includes insured, guaranteed, and conventional mortgage-backed securities.

[c]The sum of mortgage loans and mortgage-backed securities, less contra-assets to mortgage loans.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly for 1984.

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Table 15

Mortgage Assets of Net Worth Certificate Participants (1977-1984)[a]

	Percentages of Total Assets		
	Mortgage loans[b]	Mortgage-backed securities[c]	Net mortgage loans and contracts[d]
1977.2[e]	81.60	5.22	84.95
1978.1	80.57	6.47	85.39
2	79.24	7.07	84.93
1979.1	78.44	7.95	85.18
2	77.84	8.45	85.40
1980.1	76.38	8.78	84.52
2	76.05	9.22	84.55
1981.1	76.18	9.31	84.93
2	75.65	9.46	84.47
1982.1	73.61	9.64	82.36
2	71.74	9.12	79.26
1983.1	68.62	10.96	78.06
2	67.70	12.16	77.95
1984.1[f]	66.84	12.24	76.96
2	67.27	12.68	77.66
3	67.42	12.56	77.88
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Mortgage loans include FHA/VA and other insured or guaranteed loans plus conventional mortgage loans.

[c]Includes insured, guaranteed, and conventional mortgage-backed securities.

[d]The sum of mortgage loans and mortgage-backed securities, less contra-assets to mortgage loans.

[e]Data are available semiannually through 1983.

[f]Data are available quarterly for 1984.

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Table 16

Mortgage Assets of Eligible Nonparticipants (1977-1984)

	Percentages of Total Assets		
	Mortgage loans[a]	Mortgage-backed securities[b]	Net mortgage loans and contracts[c]
1972.2[d]	84.47	3.54	85.39
1978.1	84.72	3.74	85.89
2	84.18	3.90	85.83
1979.1	83.37	4.80	85.25
2	83.50	4.25	85.88
1980.1	81.74	4.02	85.20
2	79.99	5.75	84.35
1981.1	79.31	6.13	84.24
2	77.38	6.89	83.15
1982.1	73.36	9.13	79.76
2	68.46	11.40	76.50
1983.1	64.46	13.38	74.32
	63.83	14.54	74.09
1984.1[e]	61.92	14.80	72.29
2	61.15	15.24	71.88
3	60.64	14.88	71.10
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Mortgage loans include FHA/VA and other insured or guaranteed loans plus conventional mortgage loans.

[b]Includes insured, guaranteed, and conventional mortgaged-backed securities.

[c]The sum of mortgage loans and mortgage-backed securities, less contra-assets to mortgage loans.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly for 1984.

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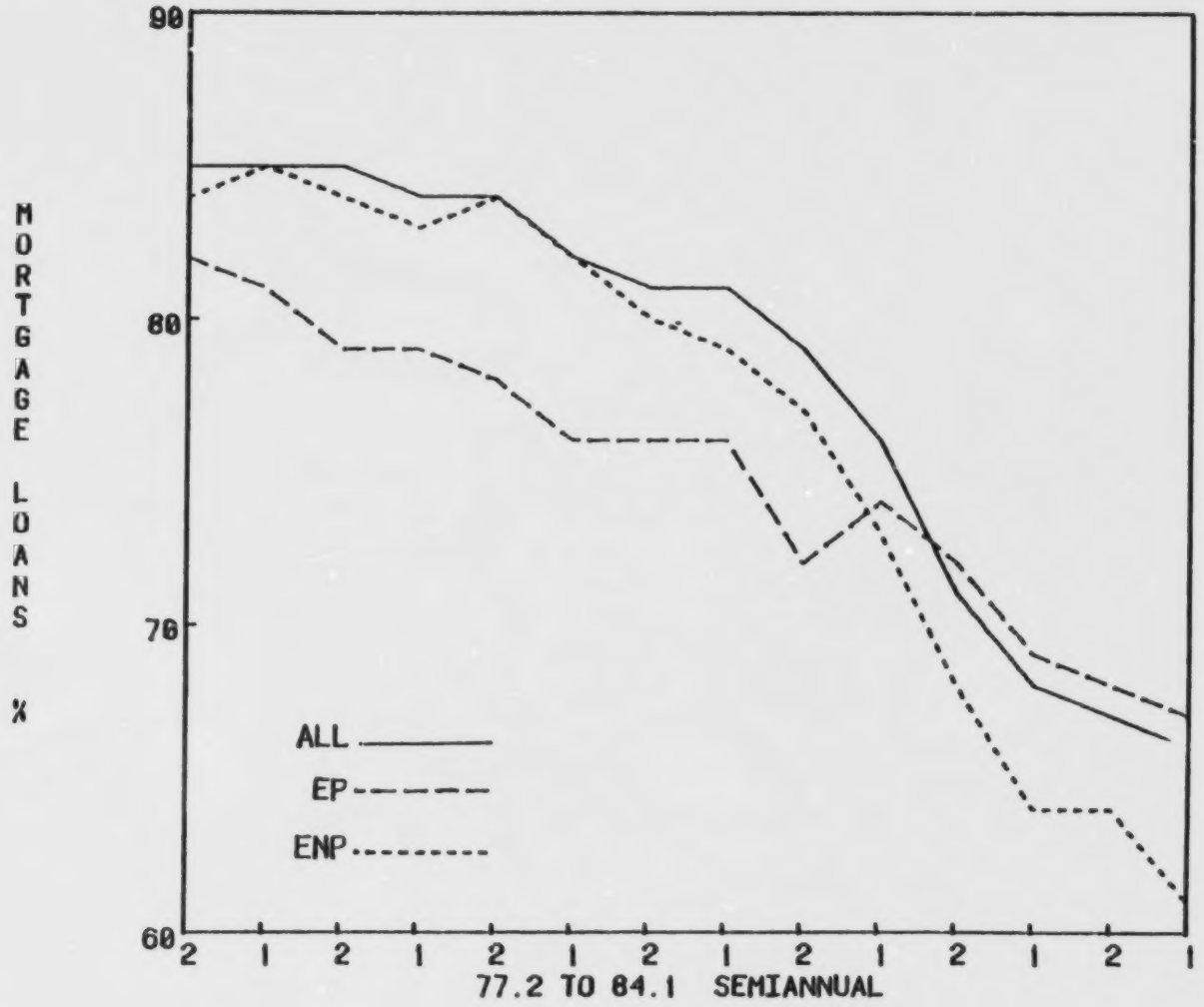
Figure 7

MORTGAGE LOANS AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables 14,15,16

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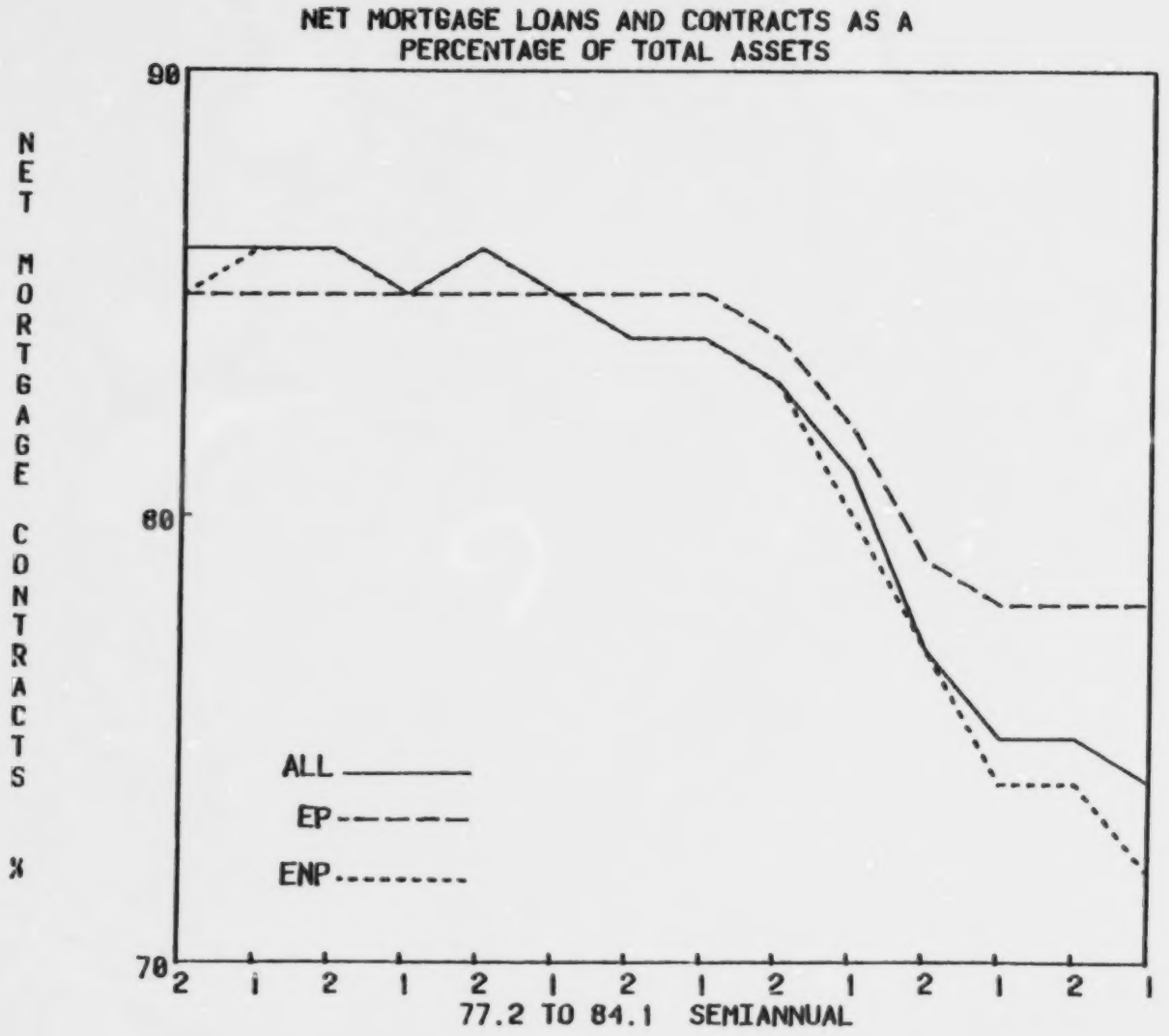
Figure 8



Source: Tables 14, 15, 16

APPENDIX II

Table 17

Non-Mortgage Assets of All FSLIC-Insured Institutions (1977-1984)

	Percentages of Total Assets					
	Total non-mortgage assets[a]	Commercial loans[b]	Consumer loans[c]	Liquid assets[d]	Fixed assets[e]	Goodwill[f]
1977.2[g]	14.37	0.07	2.27	8.78	1.37	0.02
1978.1	13.93	0.10	2.08	8.68	1.33	0.02
2	14.10	0.11	2.18	8.73	1.31	0.02
1979.1	14.64	0.16	2.22	9.07	1.30	0.02
2	14.34	0.21	2.62	8.27	1.32	0.02
1980.1	15.18	0.24	2.70	8.93	1.36	0.03
2	15.75	0.29	2.78	9.27	1.37	0.03
1981.1	15.72	0.10	2.82	9.12	1.40	0.04
2	16.99	0.08	2.78	9.53	1.41	0.37
1982.1	19.17	0.08	2.73	10.38	1.39	1.21
2	22.71	0.11	2.88	11.75	1.47	2.41
1983.1	24.86	0.23	2.95	13.85	1.42	2.43
2	25.35	0.40	3.13	13.48	1.39	2.67
1984.1[h]	25.90	0.52	3.11	13.79	1.36	2.59
2	25.80	0.76	3.18	13.12	1.33	2.48
3	25.93	0.87	3.37	12.86	1.31	2.47
4	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Derived as 100 less the percentage of assets held as net mortgage loans and contracts (table 11, column 3).

[b]Includes both secured and unsecured loans.

[c]Includes loans on deposits, house improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and retail mobile home loans.

[d]Includes cash and demand deposits, U.S. Government and agency securities, other investments, accrued interest receivable, less valuation allowances.

[e]Includes office buildings and land, leasehold improvements; appraisal increment; furniture, fixtures, and equipment (net); less valuation allowances.

[f]Goodwill and other intangible assets.

[g]Data are available semiannually through 1983.

[h]Data are available quarterly in 1984.

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Table 18

Non-Mortgage Assets of Net Worth Certificate Participants (1977-1984)[a]

	Percentages of Total Assets					
	Total non-mortgage assets[b]	Commercial loans[c]	Consumer loans[d]	Liquid assets[e]	Fixed assets[f]	Goodwill[g]
1977.2[h]	15.05	0.03	2.15	9.58	1.35	0.00
1978.1	14.61	0.04	2.13	9.38	1.33	0.00
2	15.07	0.05	2.23	9.71	1.31	0.00
1979.1	14.82	0.06	2.35	9.50	1.33	0.00
2	14.60	0.06	2.76	8.87	1.33	0.00
1980.1	15.48	0.06	2.96	9.57	1.35	0.00
2	15.45	0.06	2.95	9.42	1.35	0.00
1981.1	15.07	0.03	2.83	8.90	1.38	0.02
2	15.53	0.03	2.88	8.08	1.39	0.02
1982.1	17.64	0.03	2.72	8.92	1.36	0.46
2	20.74	0.02	2.84	9.50	1.66	1.13
1983.1	21.94	0.05	3.00	10.87	1.63	1.30
2	22.05	0.18	3.39	10.17	1.69	1.42
1984.1[i]	23.04	0.33	3.31	11.02	1.63	1.35
2	22.34	0.42	3.44	10.21	1.49	1.32
3	22.12	0.45	3.57	9.87	1.44	1.28
4	N/A	N/A	N/A	N/A	M/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [d] for a description of our set of Net Worth Certificate Participants.

[b]Derived as 100 less the percentage of assets held as net mortgage loans and contracts (table 12, column 3).

[c]Includes both secured and unsecured loans.

[d]Includes loans on deposits, house improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and retail mobile home loans.

[e]Includes cash and demand deposits, U.S. government and agency securities, other investments, accrued interest receivable, less valuation allowances.

[f]Includes office buildings and land, leasehold improvements; appraisal increment; furniture, fixtures, and equipment (net); less valuation allowances.

[g]Goodwill and other intangible assets.

[h]Data are available semiannually through 1983.

[i]Data are available quarterly in 1984.

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Table 19

Nonmortgage Assets of Eligible Nonparticipants (1977-1984)

	Percentages of Total Assets					
	Total nonmortgage assets[a]	Commercial loans[b]	Consumer loans[c]	Liquid assets[d]	Fixed assets[e]	Goodwill[f]
1977.2[g]	14.61	0.09	2.19	9.01	1.46	0.01
1978.1	14.11	0.08	2.07	8.86	1.42	0.01
2	14.17	0.08	2.16	8.86	1.38	0.01
1979.1	14.80	0.08	2.25	9.38	1.35	0.01
2	14.12	0.11	2.63	8.23	1.36	0.01
1980.1	14.75	0.11	2.79	8.64	1.40	0.03
2	15.65	0.18	2.94	9.28	1.38	0.03
1981.1	15.76	0.20	2.93	9.07	1.42	0.04
2	16.85	0.17	3.07	9.01	1.43	0.41
1982.1	20.24	0.10	2.96	10.17	1.38	2.10
2	23.50	0.13	3.05	11.33	1.45	3.19
1983.1	25.68	0.35	3.05	13.46	1.44	3.19
2	25.91	0.53	3.40	12.91	1.42	3.40
1984.1[h]	27.71	0.56	3.46	14.15	1.37	3.59
2	28.12	0.72	3.60	14.03	1.34	3.44
3	28.90	0.92	3.85	14.35	1.30	3.47
4	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Derived as 100 less the percentage of assets held as net mortgage loans and contracts (table 13, column 3).

[b]Includes both secured and unsecured loans.

[c]Includes loans on deposits, house improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and retail mobile home loans.

[d]Includes cash and demand deposits, U.S. government and agency securities, other investments, accrued interest receivable, less valuation allowances.

[e]Includes office buildings and land, leasehold improvements; appraisal increment; furniture, fixtures, and equipment (net); less valuation allowances.

[f]Goodwill and other intangible assets.

[g]Data are available semiannually through 1983.

[h]Data are available quarterly in 1984.

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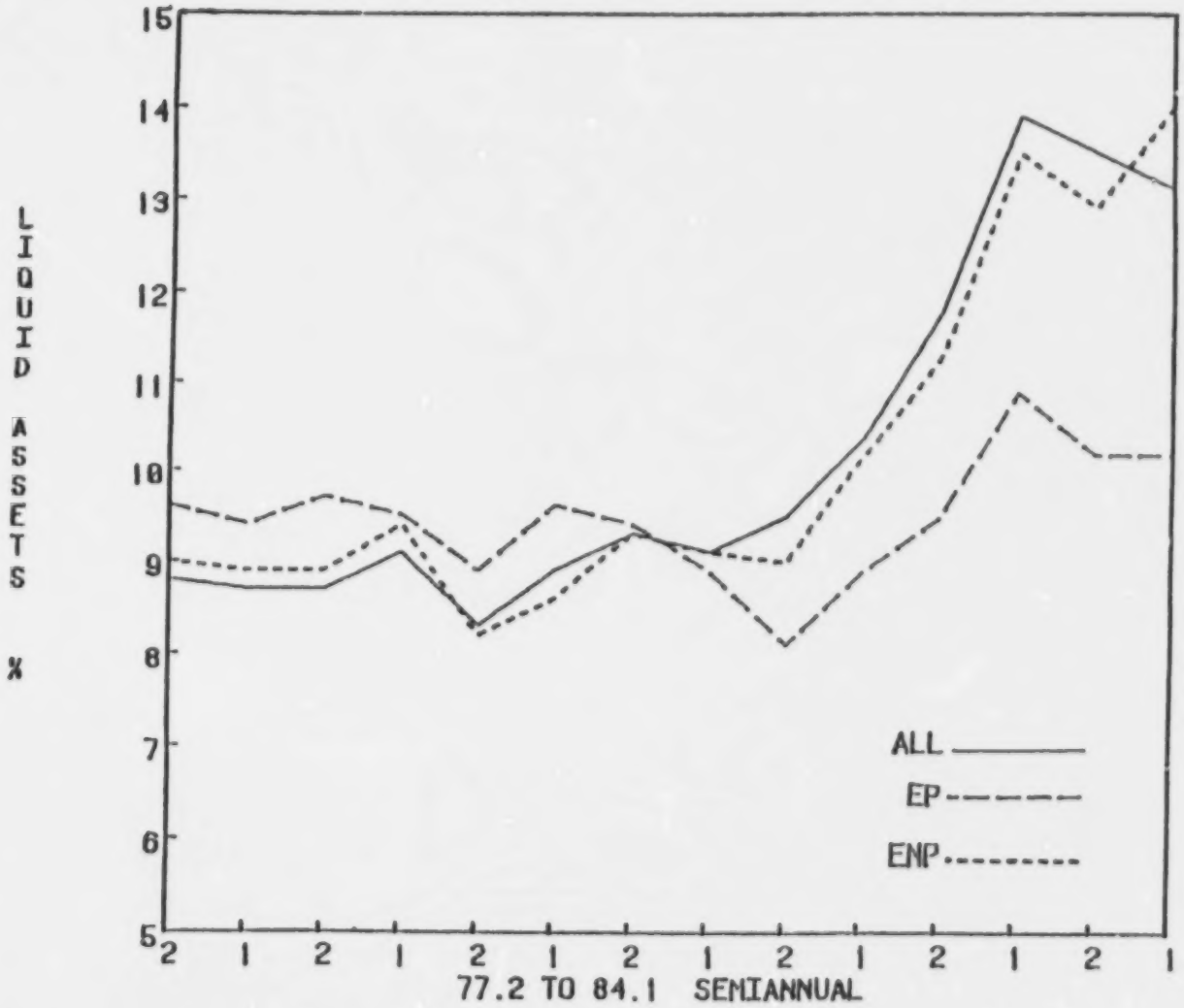
Figure 9

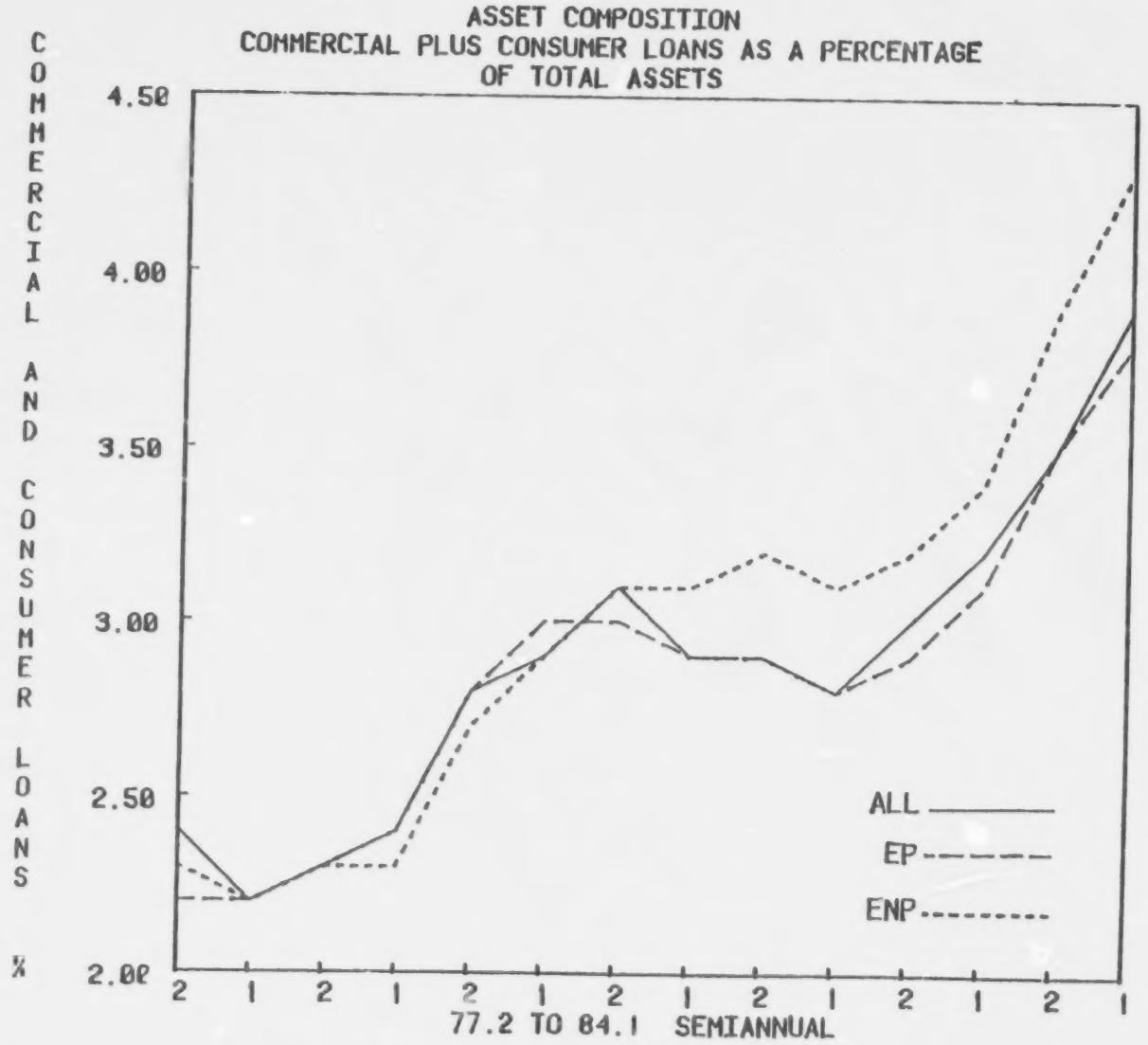
ASSET COMPOSITION
LIQUID ASSETS AS A PERCENTAGE OF TOTAL ASSETS



Source Tables 17,18,19

APPENDIX II

Figure 10



Source: Tables 17,18,19

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Table 20

Holdings of Fixed and Adjustable Rate Mortgages (1977-1984)[a]

	Percentages of Total Assets					
	Adjustable Rate Mortgates			Fixed Rate Mortgages		
	All[b]	Participants	Nonparticipants	All[b]	Participants	Nonparticipants
1977.2[c]				86.02	85.33	85.79
1978.1				86.04	85.48	85.90
2				85.85	84.99	85.81
1979.1				85.29	85.22	85.16
2				85.56	85.37	85.80
1980.1				81.03	84.23	82.58
2				79.97	83.46	82.02
1981.1				78.99	82.97	80.78
2				77.87	82.41	79.47
1982.1	5.72	2.56	4.30	76.02	80.03	77.31
2	6.82	3.22	5.18	72.11	77.00	73.58
1983.1	7.33	4.00	5.57	69.22	74.65	70.57
2	9.36	5.83	6.59	66.69	72.91	69.46
1984.1[d]	16.49	12.38	12.77	58.65	65.26	61.00
2	19.51	14.66	15.71	55.83	63.68	57.99
3	21.92	17.22	18.17	53.24	61.27	54.72
4	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [d] for a description of our set of Net Worth Certificate Participants.

[b]All FSLIC-Insured Institutions.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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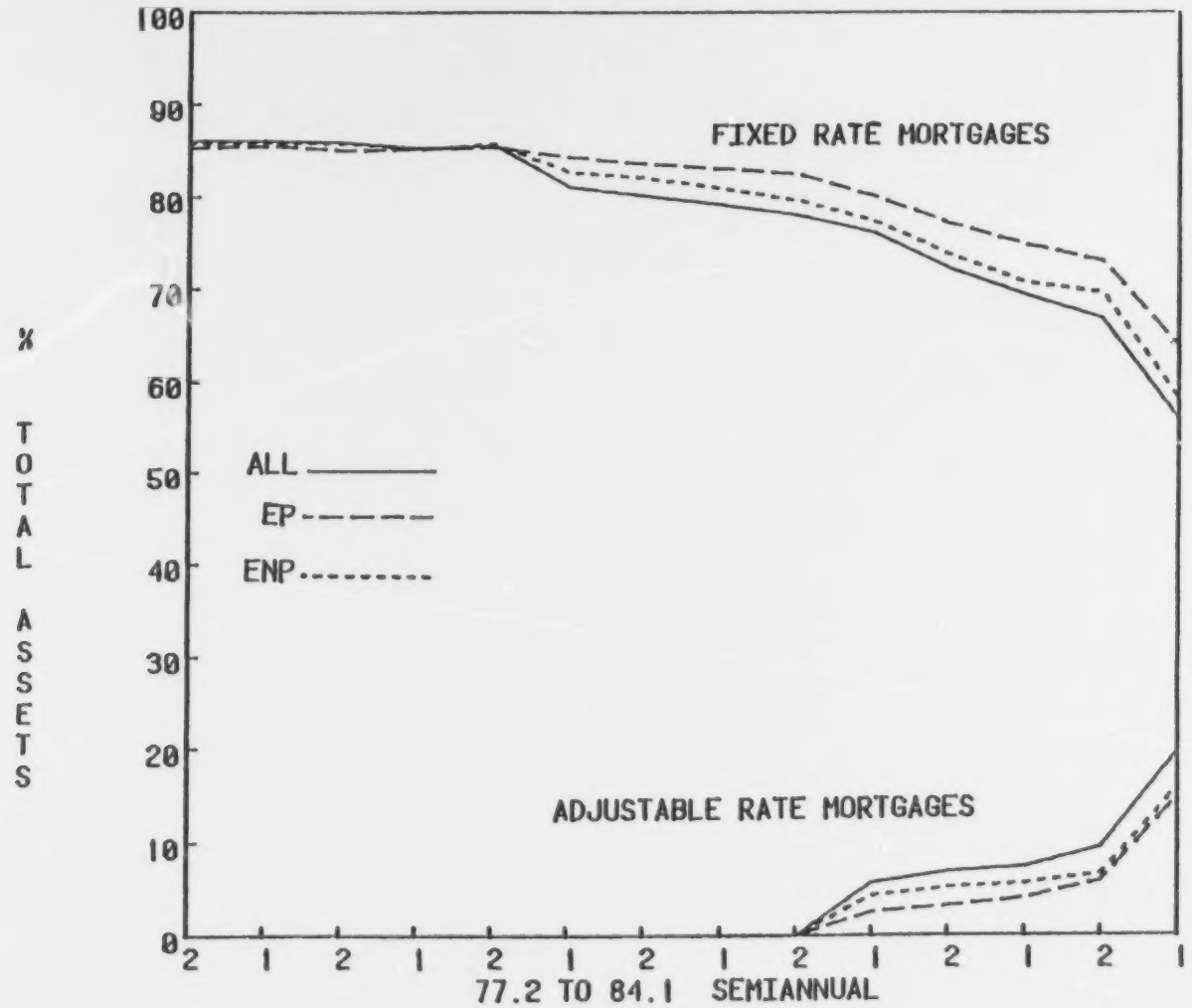
Figure 11

HOLDINGS OF FIXED AND ADJUSTABLE RATE MORTGAGES
PERCENTAGE OF TOTAL ASSETS



Source: Table 20

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APPENDIX II

APPENDIX III

LIABILITY COMPOSITION

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APPENDIX III

Table 21

Sources of Funding: All FSLIC-Insured Institutions (1977-1984)

Period	Percentages of Total Assets						
	Deposits[a]	Borrowings		Other liabilities[c]	Total liabilities[d]	Regulatory net worth	Total[e]
		FHLB advances	Other borrowed money[b]				
1977.2[f]	86.88	4.49	1.72	1.29	94.38	5.62	100.00
1978.1	85.79	5.24	1.95	1.38	94.36	5.64	100.00
.2	84.54	6.36	2.08	1.37	94.34	5.66	100.00
1979.1	84.00	6.39	2.44	1.52	94.35	5.65	100.00
.2	82.89	7.23	2.64	1.53	94.30	5.70	100.00
1980.1	83.11	7.13	2.49	1.67	94.40	5.60	100.00
.2	82.60	7.71	2.79	1.54	94.64	5.36	100.00
1981.1	81.54	8.50	3.25	1.76	95.05	4.95	100.00
.2	80.11	9.76	4.06	1.72	95.65	3.35	100.00
1982.1	79.80	10.06	4.45	1.91	96.22	3.78	100.00
.2	80.15	9.30	4.95	1.91	96.31	3.69	100.00
1983.1	82.35	7.66	4.19	1.97	96.18	3.82	100.00
.2	81.93	7.03	5.05	1.97	95.98	4.02	100.00
1984.1[g]	82.09	6.54	5.50	1.87	96.01	4.00	100.00
.2	80.86	7.00	6.20	2.00	96.06	3.94	100.00
.3	80.10	7.49	6.56	2.00	96.14	3.86	100.00
.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Deposits include all transaction, savings, and time deposits.

[b]Includes commercial bank loans, repurchase agreements, consumer retail repurchase agreements, overdrafts in demand deposits, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bond issued, and other borrowings.

[c]Includes accrued interest payable; interest accrued or declared on deposits; dividends payable on permanent, reserve, or guaranty stock; accrued taxes; accounts payable; advance payments by borrowers for taxes and insurance; financial options fees received; other liabilities; deferred net gains (losses) on futures/options hedging liabilities; deferred federal and other income taxes.

[d]The sum of deposits, FHLB advances, other borrowed money and other liabilities.

[e]Total may not sum to 100.00 because of rounding.

[f]Data are available semiannually through 1983.

[g]Data are available quarterly in 1984.

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APPENDIX III

Table 22

Sources of Funding: Net Worth Certificate Participants (1977-1984)[a]

	Percentages of Total Assets						
Period	Deposits[b]	Borrowings		Other liabilities[d]	Total liabilities[e]	Regulatory net worth	Total[f]
		FHLB advances	Other borrowed money[c]				
1977.2[g]	87.87	3.97	1.88	1.37	95.10	4.89	99.99
1978.1	87.07	4.83	2.02	1.20	95.11	4.40	100.01
2	85.77	5.46	2.57	1.30	95.10	4.91	100.01
1979.1	86.07	5.25	2.51	1.26	95.09	4.92	100.01
2	83.83	7.41	2.43	1.41	95.08	4.92	100.00
1980.1	84.57	6.61	2.76	1.37	95.31	4.69	100.00
2	84.20	7.37	2.59	1.45	95.61	4.39	100.00
1981.1	84.13	8.13	2.65	1.37	96.28	3.72	100.00
2	83.60	9.10	2.82	1.53	97.06	2.94	100.00
1982.1	84.41	9.38	2.47	1.67	97.93	2.07	100.00
2	86.15	8.72	2.10	1.39	98.37	1.63	100.00
1983.1	88.52	6.92	1.58	1.41	98.43	1.57	100.00
2	87.32	6.38	3.25	1.47	98.42	1.58	100.00
1984.1[h]	86.79	6.40	3.89	1.49	98.50	1.50	100.00
2	85.76	7.47	3.74	1.58	98.54	1.46	100.00
3	84.75	7.95	4.29	1.64	98.63	1.37	100.00
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Deposits include all transaction, savings and time deposits.

[c]Includes commercial bank loans, repurchase agreements, consumer retail repurchase agreements, overdrafts in demand deposits, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bond issued, and other borrowings.

[d]Includes accrued interest payable, interest accrued or declared on deposits, dividends payable on permanent, reserve or guaranty stock, accrued taxes, accounts payable, advance payments by borrowers for taxes and insurance, financial options fees received, other liabilities, deferred net gains (losses) on futures/options hedging liabilities, deferred federal and other income taxes.

[e]The sum of deposits, FHLB advances, other borrowed money and other liabilities.

[f]Total many not sum to 100.00 because of rounding.

[g]Data are available semiannually through 1983.

[h]Data are available quarterly in 1984.

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APPENDIX III

Table 23

Sources of Funding: Eligible Nonparticipants (1977-1984)

Period	Percentages of Total Assets						
	Deposits[a]	Borrowings		Other liabilities[c]	Total liabilities[d]	Regulatory net worth	Total[e]
		FHLB advances	Other borrowed money[b]				
1977.2[f]	87.74	4.46	1.64	1.31	95.14	4.86	100.00
1978.1	86.56	5.17	2.02	1.41	95.16	4.84	100.00
2	84.92	6.74	2.17	1.34	95.17	4.83	100.00
1979.1	84.59	6.77	2.29	1.56	95.21	4.79	100.00
2	83.38	7.74	2.53	1.51	95.17	4.83	100.00
1980.1	83.72	7.56	2.37	1.71	95.35	4.65	100.00
2	82.42	8.38	3.38	1.50	95.67	4.33	100.00
1981.1	80.76	9.43	4.21	1.74	96.14	3.86	100.00
2	79.28	10.68	5.12	1.74	96.82	3.18	100.00
1982.1	78.32	11.25	6.17	1.84	97.59	2.41	100.00
2	79.40	10.80	5.87	1.74	97.81	2.19	100.00
1983.1	81.32	9.54	4.87	1.86	97.58	2.42	100.00
2	80.68	8.99	5.84	1.76	97.28	2.72	100.00
1984.1[g]	80.33	8.48	6.66	1.80	97.26	2.74	100.00
2	78.14	8.80	8.32	2.06	97.31	2.69	100.00
3	77.80	9.27	8.26	2.00	97.32	2.68	100.00
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Deposits include all transaction, savings and time deposits.

[b]Includes commercial bank loans, repurchase agreements, consumer retail repurchase agreements, overdrafts in demand deposits, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bond issued, and other borrowings.

[c]Includes accrued interest payable, interest accrued or declared on deposits, dividends payable on permanent, reserve or guaranty stock, accrued taxes, accounts payable, advance payments by borrowers for taxes and insurance, financial options fees received, other liabilities, deferred net gains (losses) on futures/options hedging liabilities, deferred federal and other income taxes.

[d]The sum of deposits, FHLB advances, other borrowed money, and other liabilities.

[e]Total many not sum to 100.00 because of rounding.

[f]Data are available semiannually through 1983.

[g]Data are available quarterly in 1984.

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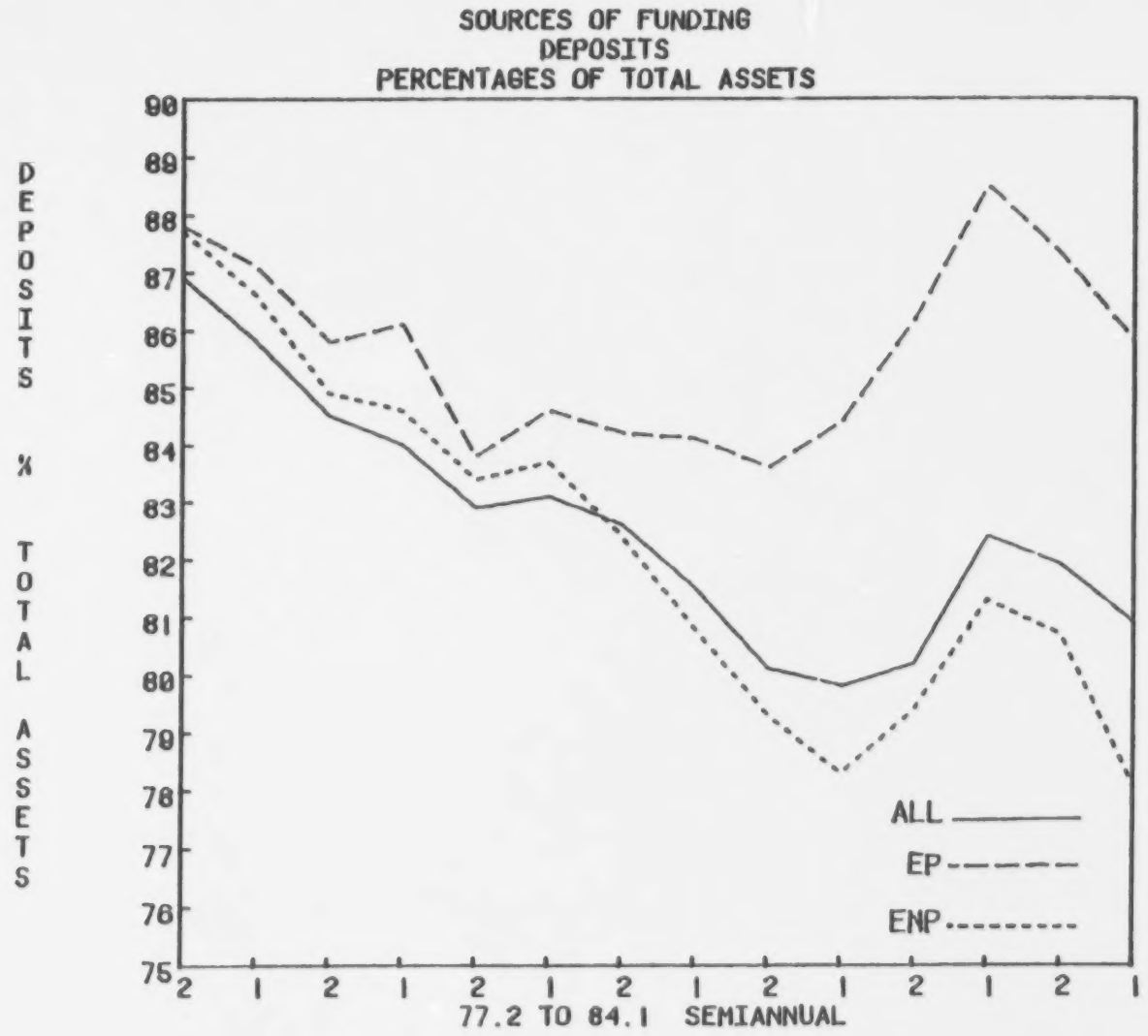
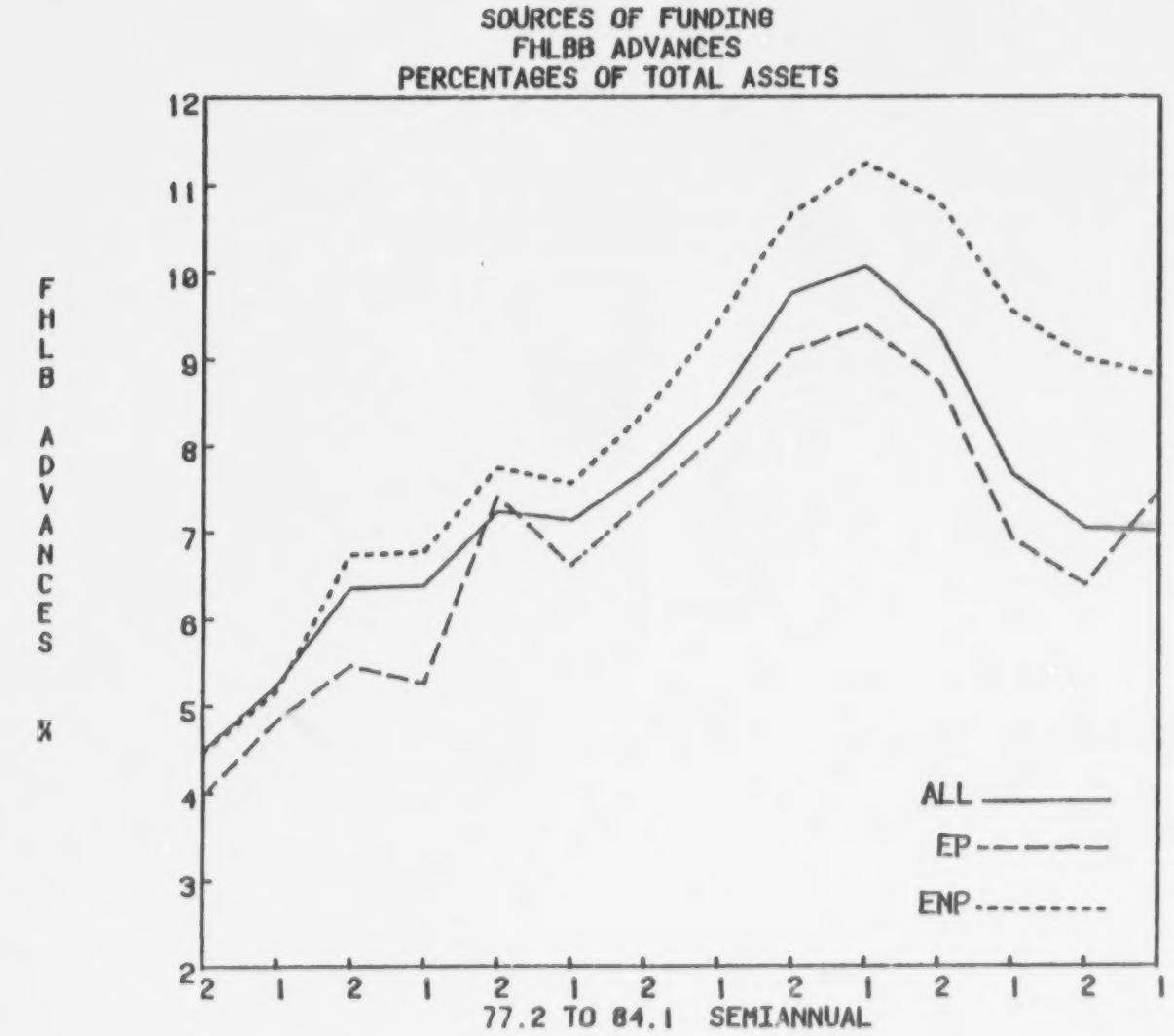
Figure 12



Source: Tables 21,22,23

APPENDIX III

Figure 13



Source: Tables 21,22,23

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APPENDIX III

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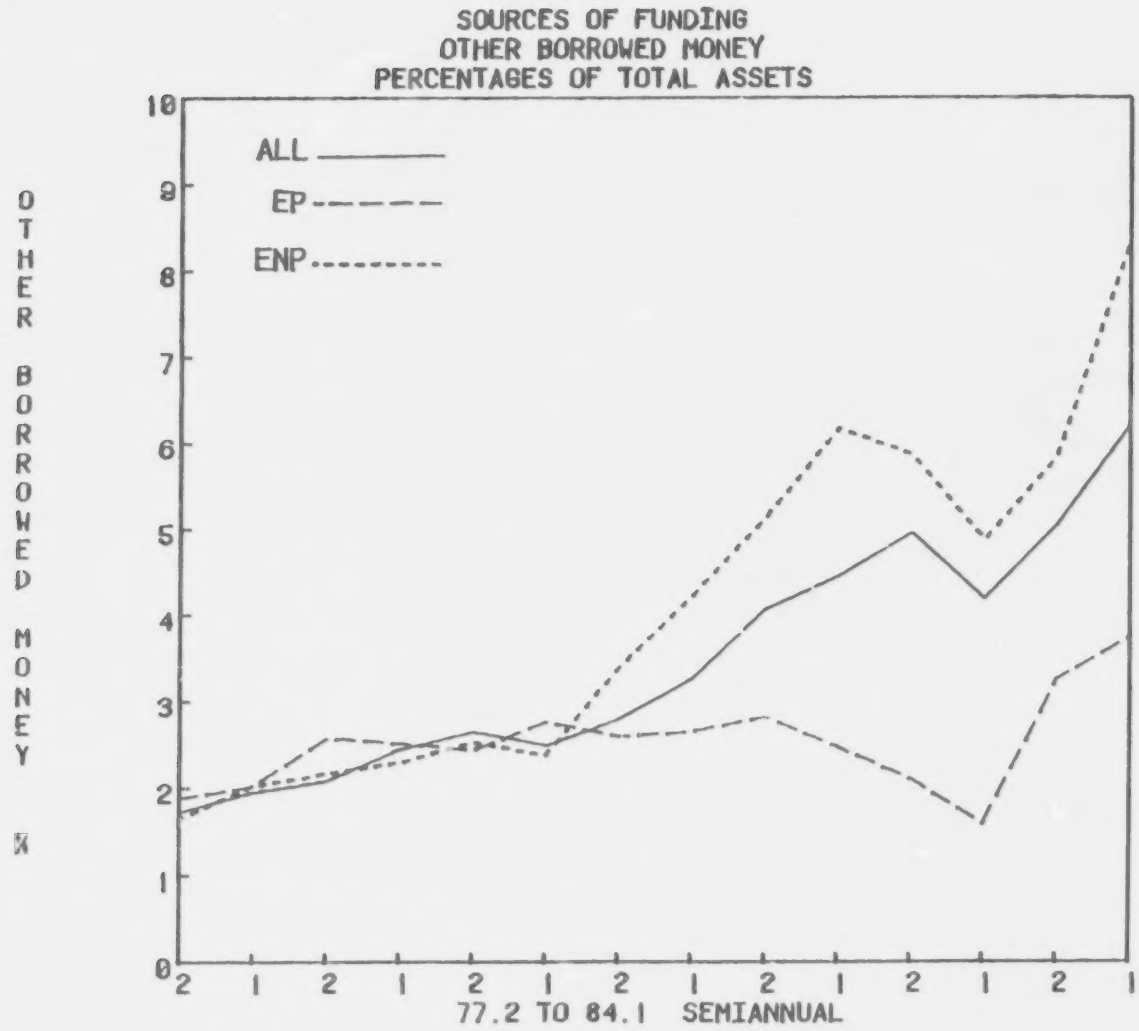
Figure 14



Source: Tables 21,22,23

APPENDIX III

Table 24

Deposit Composition for All FSLIC-Insured Institutions (1977-1984)

	Percentages of Total Assets						
Period	Small deposits[a]	Negotiable CDs[b]	Time deposits[c]	Transaction accounts[d]	MMDA's[e]	Passbook savings	Brokered deposits
1977.2[f]	78.70	8.18	53.86	0.05	0	33.00	0.10
1978.1	N/A	N/A	54.63	0.06	0	31.11	0.11
2	75.84	8.69	57.23	0.06	0	27.24	0.12
1979.1	N/A	N/A	59.41	0.07	0	24.53	0.23
2	72.57	10.32	61.64	0.08	0	21.17	0.31
1980.1	N/A	N/A	64.05	0.11	0	18.95	0.38
2	75.89	6.71	64.90	0.20	0	17.50	0.64
1981.1	N/A	N/A	64.88	0.96	0	15.70	0.49
2	80.11	7.54	64.56	1.26	0	14.29	0.51
1982.1	N/A	N/A	64.78	1.47	0	13.56	0.70
2	71.63	8.52	62.08	2.15	0	15.97[g]	1.19
1983.1	N/A	N/A	54.70	2.65	12.52	12.49	2.10
2	71.09	10.85	57.01	2.80	12.76	9.29	3.53
1984.1[h]	71.00	11.10	57.60	2.95	13.36	8.16	4.08
2	69.21	11.65	58.18	2.98	12.21	7.48	4.46
3	68.42	11.68	59.42	2.88	10.95	6.85	4.60
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Small deposits are deposits with balances less than $100,000.

[b]Negotiable CDs are large negotiable deposits with balances over $100,000.

[c]Time deposits are deposits having a fixed maturity.

[d]Includes negotiable order of withdrawal (NOW) accounts, Super NOW accounts, and demand deposits.

[e]Money Market Deposit Accounts (MMDAs) were authorized under the Garn-St Germain Act.

[f]Data are available semiannually through 1983.

[g]The downward trend of passbook savings is reversed here and in the subsequent two tables because MMDAs were first issued in December 14, 1982 and are included, for this period only, as part of Passbook Savings. The Federal Reserve Statistical Release, H.6, shows that MMDAs totaled $16.8 billion or 2.45 percent of assets on December 31, 1982, only 2 weeks later.

[h]Data are available quarterly during 1984.

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Table 25

Deposit Composition for Net Worth Participants (1977-1984)[a]

	Percentages of Total Assets[b]						
Period	Small deposits[c]	Negotiable CDs[d]	Time deposits[e]	Transaction accounts[f]	MMDAs[g]	Passbook savings	Brokered deposits
1977.2[h]	81.80	6.08	49.34	0.19	0.0	38.35	0.03
1978.1	N/A	N/A	50.76	0.20	0.0	36.17	0.02
2	78.91	6.86	54.14	0.23	0.0	31.41	0.02
1979.1	N/A	N/A	57.21	0.33	0.0	28.53	0.02
2	76.63	7.20	58.88	0.43	0.0	24.52	0.04
1980.1	N/A	N/A	61.95	0.52	0.0	22.10	0.04
2	79.52	4.69	63.28	0.62	0.0	20.30	2.85
1981.1	N/A	N/A	64.32	1.13	0.0	18.68	0.41
2	83.60	4.15	64.84	1.43	0.0	17.33	0.26
1982.1	N/A	N/A	65.79	1.60	0.0	17.02	0.31
2	82.34	3.81	64.17	2.27	0.0	19.71	0.39
1983.1	N/A	N/A	56.33	2.72	14.04	15.44	0.62
2	83.11	4.21	57.79	2.58	14.00	12.86	0.98
1984.1[i]	81.79	5.00	57.84	2.76	14.07	12.10	1.27
2	81.46	4.30	57.76	2.95	13.32	11.74	0.86
3	80.18	4.57	58.89	2.86	12.10	10.89	0.90
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [d] for a description of our set of Net Worth Certificate Participants.

[b]The data on the components of liabilities sometimes vary widely from quarter to quarter, especially for groups smaller than all institutions. Thus, attention should be focused on the general trend of the liability categories rather than on the values in particular time periods.

[c]Small deposits are deposits with balances less than $100,000.

[d]Negotiable CDs are large negotiable deposits with balances over $100,000.

[e]Time deposits are deposits having a fixed maturity.

[f]Includes negotiable order of withdrawal (NOW) accounts, Super NOW accounts, and demand deposits.

[g]Money Market Deposit Accounts (MMDAs) were authorized under the Garn-St Germain Act.

[h]Data are available semiannually through 1983.

[i]Data are available quarterly during 1984.

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Table 26

Deposit Composition for Eligible Nonparticipants (1977-1984)[a]

Period	Percentages of Total Assets						
	Small deposits[b]	Negotiable CDs[c]	Time deposits[d]	Transaction accounts[e]	MMDAs[f]	Passbook savings	Brokered deposits
1977.2[g]	79.35	8.36	54.12	0.04	0.0	33.50	0.06
1978.1	N/A	N/A	54.75	0.05	0.0	31.76	0.06
2	76.14	8.78	57.38	0.05	0.0	27.49	0.06
1979.1	N/A	N/A	59.79	0.06	0.0	24.74	0.31
2	73.46	9.92	62.05	0.07	0.0	21.25	0.37
1980.1	N/A	N/A	64.66	0.09	0.0	18.96	0.24
2	75.31	7.10	64.77	0.19	0.0	17.45	0.09
1981.1	N/A	N/A	64.20	1.01	0.0	15.55	0.10
2	79.28	6.90	63.91	1.29	0.0	14.08	0.19
1982.1	N/A	N/A	63.36	1.50	0.0	13.47	0.31
2	72.29	7.11	61.57	2.01	0.0	15.83	0.91
1983.1	N/A	N/A	53.86	2.70	12.88	11.88	1.27
2	72.28	8.41	56.00	2.89	12.37	9.42	2.27
1984.1[h]	70.78	9.55	56.12	2.99	13.11	8.12	2.87
2	68.77	9.36	55.68	3.06	11.86	7.50	3.01
3	67.91	9.88	57.38	2.78	10.80	6.85	3.14
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]The data on the components of liabilities sometimes vary widely from quarter to quarter, especially for groups smaller than all institutions. Thus, attention should be focused on the general trend of the liability categories rather than on the values in particular time periods.

[b]Small deposits are deposits with balances less than $100,000.

[c]Negotiable CDs are large negotiable deposits with balances over $100,000.

[d]Time deposits are deposits having a fixed maturity.

[e]Includes negotiable order of withdrawal (NOW) accounts, Super NOW accounts, and demand deposits.

[f]Money Market Deposit Accounts (MMDAs) were authorized under the Garn-St Germain Act.

[g]Data are available semiannually through 1983.

[h]Data are available quarterly during 1984.

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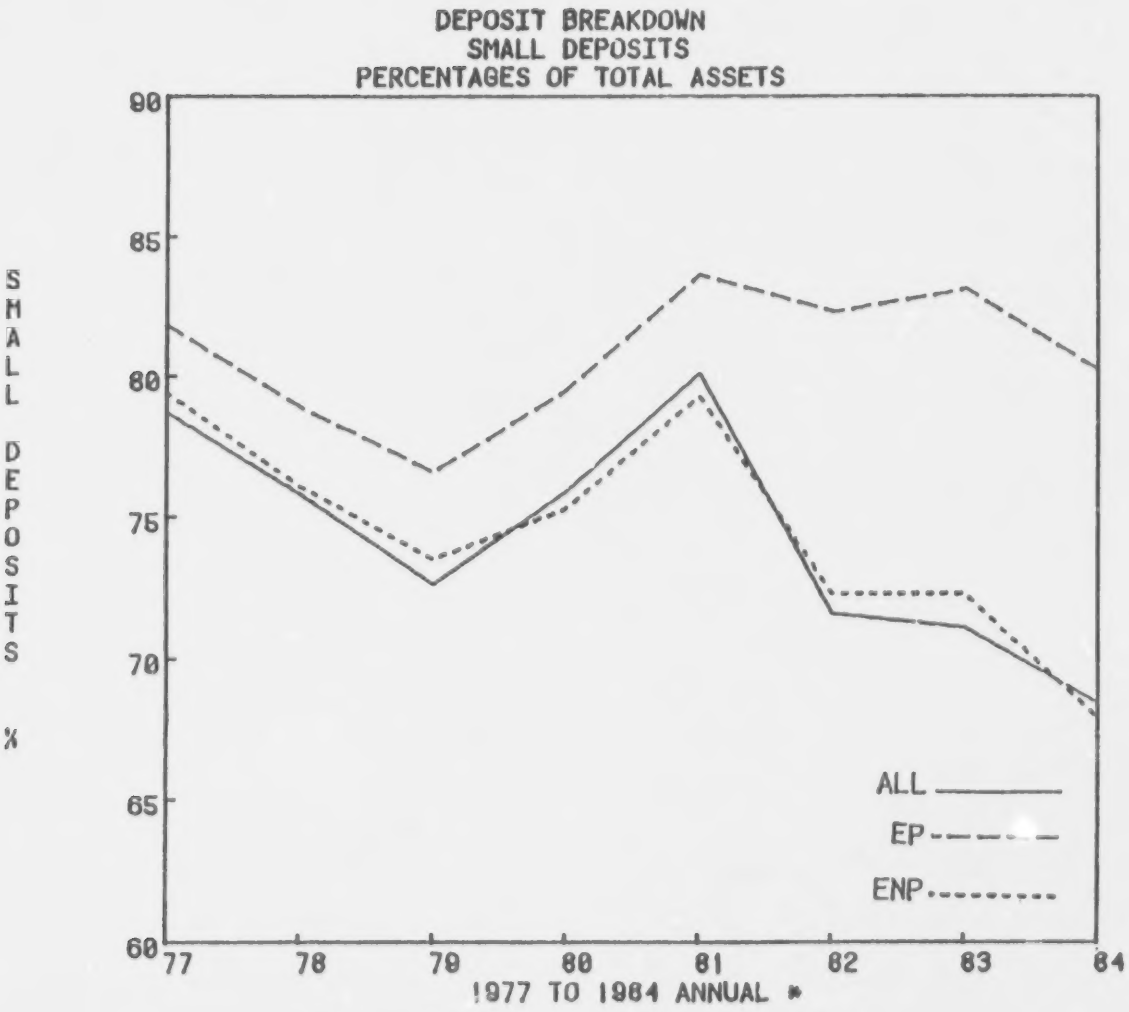
Figure 15



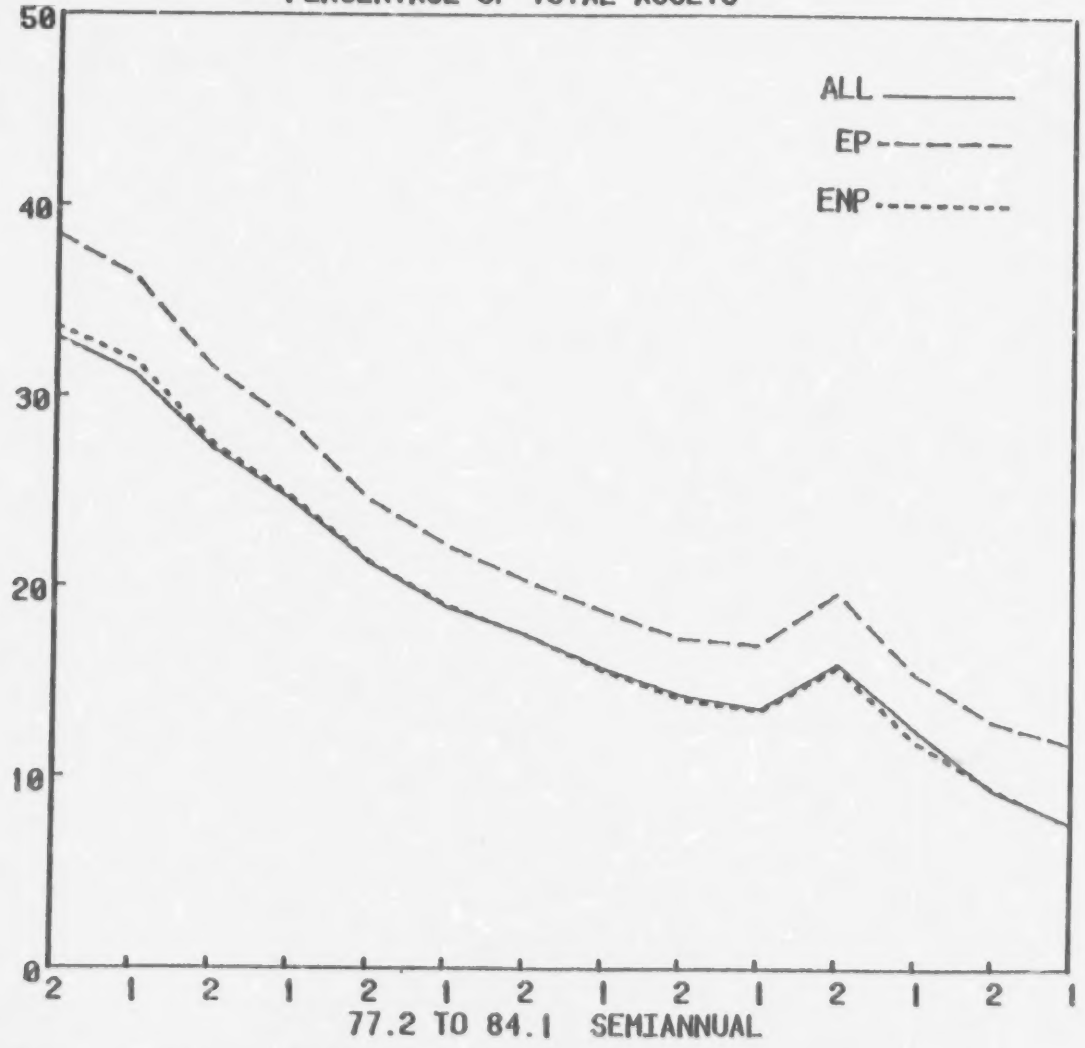
Source: Tables 24,25,26

*Note: Small deposits were reported to the FHLBB only on the December Financial Statement through 1983 and quarterly in 1984. The points on this graph are the December figures except for 1984 which is the September figure.

APPENDIX III

Figure 16

DEPOSIT BREAKDOWN
PASSBOOK SAVINGS AS A
PERCENTAGE OF TOTAL ASSETS



Source: Tables 24,25,26

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APPENDIX III

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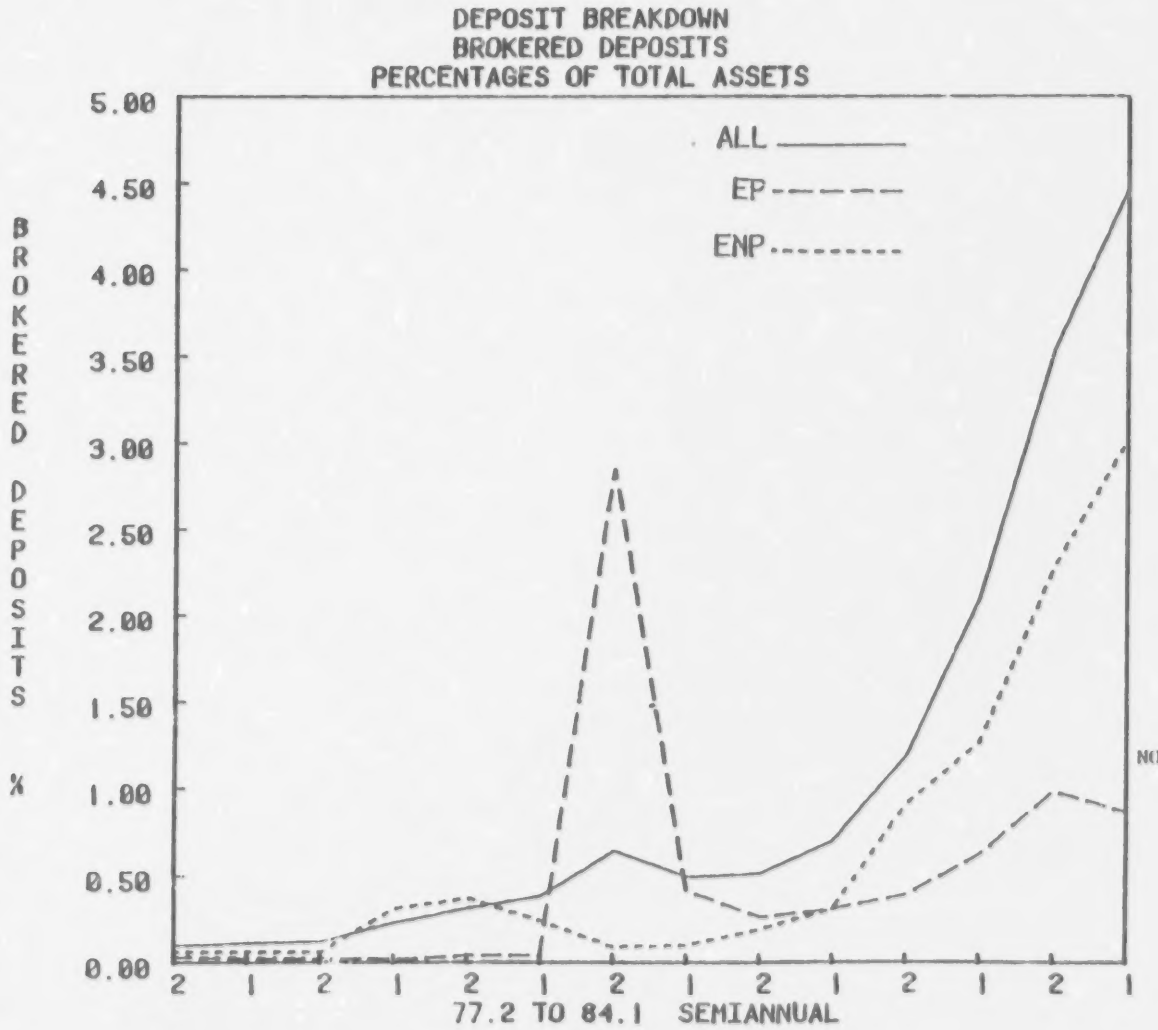
Figure 17



NOTE: The peak in 1980:2 for Net Worth Certificate participants is due to very large, short-term increases in holdings of brokered deposits by only three institutions.

Source: Tables 24,25,26

APPENDIX III

APPENDIX IV

NET WORTH

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Table 27

Net Worth: All FSLIC-Insured Institutions (1977-1984)

	Percentages of Total Assets		
	RAP[a]	GAAP[b]	TAP[c]
1977.2[d]	5.62	5.70	5.68
1978.1	5.64	5.73	5.71
2	5.66	5.77	5.74
1979.1	5.65	5.75	5.72
2	5.70	5.80	5.78
1980.1	5.60	5.70	5.68
2	5.36	5.47	5.43
1981.1	4.95	5.06	5.02
2	4.35	4.34	3.97
1982.1	3.78	3.59	2.38
2	3.69	3.18	0.76
1983.1	3.82	3.17	0.74
2	4.02	3.33	0.66
1984.1[e]	4.00	3.20	0.61
2	3.94	3.07	0.59
3	3.86	2.94	0.47
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]RAP is regulatory net worth, which is the sum of preferred stock; permanent, reserve, or guaranty stock paid-in surplus; qualifying mutual capital certificates; qualifying subordinated debentures;* appraised equity capital;* net worth certificates;* accrued net worth certificates;* income capital certificates; reserves; undivided profits (retained earnings); and net undistributed income.

[b]GAAP is net worth as defined under GAAP. It excludes the starred components of regulatory net worth. Deferred net losses (gains) on loans and other assets sold are also excluded from assets.

[c]TAP is tangible net worth which is GAAP net worth less goodwill and other intangible assets.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly during 1984.

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APPENDIX IV

Table 28

Net Worth: Participants in the Net Worth Certificate Program (1977-1984)[a]

	Percentages of Total Assets		
	RAP[b]	GAAP[c]	TAP[d]
1977.2[e]	4.90	4.91	4.91
1978.1	4.89	4.90	4.90
2	4.90	4.91	4.91
1979.1	4.91	4.92	4.92
2	4.92	4.94	4.94
1980.1	4.69	4.70	4.70
2	4.39	4.41	4.41
1981.1	3.72	3.75	3.73
2	2.94	2.08	2.06
1982.1	2.07	0.43	-0.03
2	1.63	-1.25	-2.39
1983.1	1.57	-1.73	-3.03
2	1.58	-2.21	-3.63
1984.1[f]	1.50	-2.45	-3.81
2	1.46	-2.67	-4.00
3	1.37	-2.80	-4.08
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]RAP is regulatory net worth, which is the sum of preferred stock; permanent, reserve, or guaranty stock paid-in surplus; qualifying mutual capital certificates;* qualifying subordinated debentures;* appraised equity capital;* net worth certificates;* accrued net worth certificates;* income capital certificates; reserves; undivided profits (retained earnings); and net undistributed income.

[c]GAAP is net worth as defined under GAAP. It excludes the starred components of regulatory net worth. Deferred net losses (gains) on loans and other assets sold are also excluded from assets.

[d]TAP is tangible net worth which is GAAP net worth less goodwill and other intangible assets.

[e]Reports of Condition were issued semiannually through 1983.

[f]Reports of Condition are issued quarterly during 1984.

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Table 29

Net Worth: Eligible Nonparticipants (1977-1984)

	Percentages of Total Assets		
	RAP[a]	GAAP[b]	TAP[c]
1977.2[d]	4.86	4.91	4.90
1978.1	4.84	4.93	4.92
2	4.83	4.93	4.92
1979.1	4.79	4.87	4.86
2	4.83	4.91	4.90
1980.1	4.65	4.73	4.69
2	4.33	4.40	4.37
1981.1	3.86	3.94	3.89
2	3.18	3.08	2.67
1982.1	2.41	1.94	-0.16
2	2.19	1.41	-1.78
1983.1	2.42	1.41	-1.78
2	2.72	1.68	-1.72
1984.1[e]	2.74	1.54	-2.04
2	2.69	1.43	-2.01
3	2.68	1.40	-2.06

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]RAP is regulatory net worth, which is the sum of preferred stock; permanent, reserve, or guaranty stock paid-in surplus; qualifying mutual capital certificates*; qualifying subordinated debentures;* appraised equity capital;* net worth certificates;* accrued net worth certificates;* income capital certificates; reserves; undivided profits (retained earnings); and net undistributed income.

[b]GAAP is net worth as defined under GAAP. It excludes the starred components of regulatory net worth. Deferred net losses (gains) on loans and other assets sold are also excluded from assets.

[c]TAP is tangible net worth which is GAAP net worth less goodwill and other intangible assets.

[d]Reports of Condition were issued semiannually through 1983.

[e]Reports of Condition are issued quarterly during 1984.

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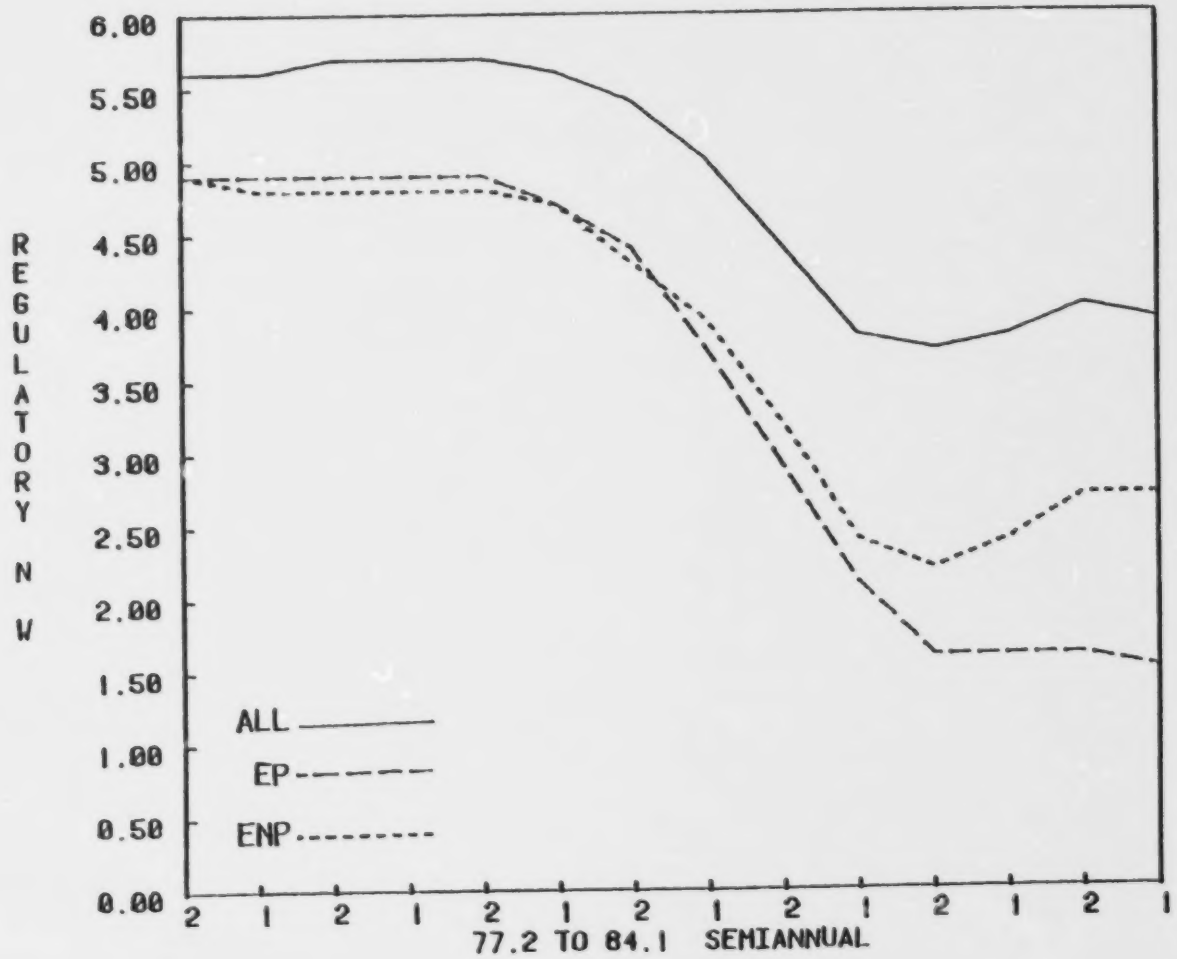
Figure 18

REGULATORY NET WORTH AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables 27,28,29

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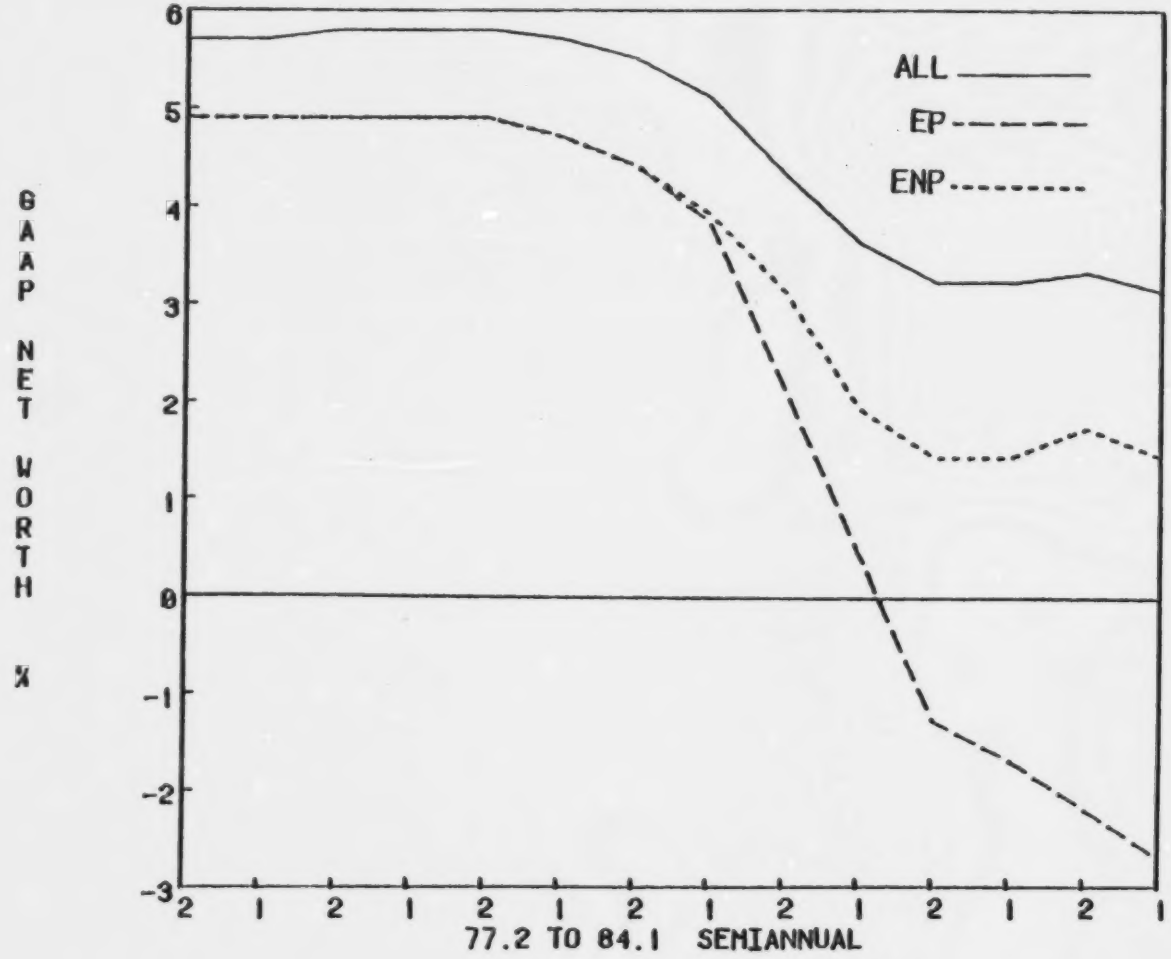
Figure 19

GAAP NET WORTH AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables 27,28,29

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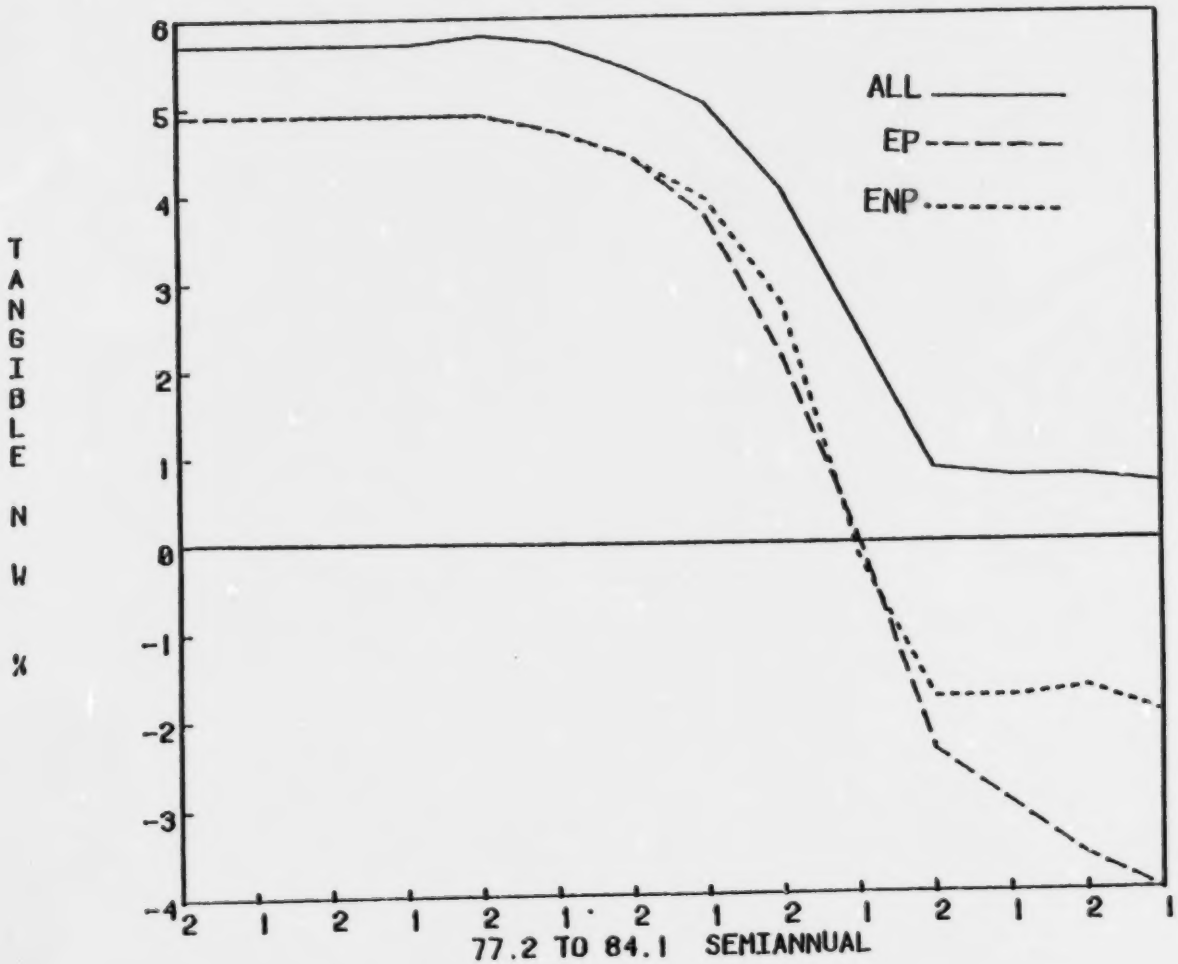
Figure 20

TANGIBLE NET WORTH AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables 27,28,29

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Table 30

Net Worth Comparisons (1977-1984)[a]

	Percentages of Total Assets					
	Divergence: (RAP - GAAP)[b]			Divergence: (RAP - TAP)[c]		
Period	Industry	NWC participants	NWC eligible nonparticipants	Industry	NWC participants	NWC eligible nonparticipants
1977.2[d]	-0.08	-0.01	-0.05	-0.06	-0.01	-0.04
1978.1	-0.09	-0.01	-0.09	-0.07	-0.01	-0.08
2	-0.11	-0.01	-0.10	-0.08	-0.01	-0.09
1979.1	-0.10	-0.01	-0.09	-0.07	-0.01	-0.07
2	-0.10	-0.02	-0.08	-0.08	-0.02	-0.07
1980.1	-0.10	-0.01	-0.08	-0.08	-0.01	-0.04
2	-0.11	-0.02	-0.07	-0.07	-0.02	-0.04
1981.1	-0.11	-0.03	-0.08	-0.07	-0.01	-0.03
2	-0.01	0.86	0.08	-0.38	0.88	0.51
1982.1	0.19	1.64	0.47	1.40	2.10	2.57
2	0.51	2.88	0.78	2.93	4.02	3.97
1983.1	0.65	3.30	1.01	3.08	4.06	4.20
2	0.69	3.31	1.04	3.36	5.21	4.44
1984.1[e]	0.80	3.95	1.20	3.39	5.31	4.78
2	0.87	4.13	1.26	3.35	5.46	4.70
3	0.92	4.17	1.28	3.39	5.45	4.74
4	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]GAAP net worth excludes qualifying mutual capital certificates, qualifying subordinated debentures, appraised equity capital, net worth certificates, accrued net worth certificates and deferred losses, all of which are included in RAP.

[c]Tangible net worth excludes goodwill and other intangible assets from GAAP net worth.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly during 1984.

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Table 31

Net Worth Assistance Components of Regulatory
Net Worth for All FSLIC-Insured Institutions (1977-1984)

	Percentages of RAP							
	Mutual capital certificates	Qualifying subordinated debentures	Appraised equity capital	Net worth certificates	Accrued net worth certificates	Income capital certificates	Deferred losses[a]	Goodwill[b]
1977.2[c]	0.00	0.00	0.00	0.00	0.00	0.00	-1.34	0.40
1978.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.65	0.37
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.93	0.43
1979.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.75	0.41
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.64	0.40
1980.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.76	0.49
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.95	0.60
1981.1	0.00	0.00	0.00	0.00	0.00	0.00	-2.18	0.91
2	0.14	0.00	0.00	0.00	0.00	0.00	0.03	8.51
1982.1	1.11	0.00	0.00	0.00	0.00	0.00	3.91	31.91
2	0.24	0.89	2.66	0.20	0.00	1.60	9.92	65.39
1983.1	0.04	0.95	3.25	0.42	0.00	1.54	12.30	63.62
2	0.06	1.02	3.78	0.70	0.00	2.24	11.65	66.48
1984.1[d]	0.04	1.42	3.62	0.37	0.09	1.91	14.41	64.82
2	0.22	1.81	3.79	0.40	0.08	1.85	15.69	63.02
3	0.19	2.49	3.74	0.43	0.07	1.99	16.75	64.11
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Deferred net losses (gains) on loans and other assets sold.

[b]Goodwill and other intangible assets.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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Table 32

Net Worth Assistance Components of Regulatory Net Worth for Net Worth Certificate Participants (1977-1984)[a]

	Percentages of RAP							
	Mutual capital certificates	Qualifying subordinated debentures	Appraised equity capital	Net worth certificates	Accrued net worth certificates	Income capital certificates	Deferred losses[b]	Goodwill[c]
1977.2[d]	0.00	0.00	0.00	0.00	0.00	0.00	-0.13	0.03
1978.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.23	0.03
2	0.00	0.00	0.00	0.00	0.00	0.00	-0.29	0.02
1979.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.31	0.02
2	0.00	0.00	0.00	0.00	0.00	0.00	-0.41	0.02
1980.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.40	0.02
2	0.00	0.00	0.00	0.00	0.00	0.00	-0.57	0.10
1981.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.66	0.44
2	0.00	0.00	0.00	0.00	0.00	0.00	29.40	0.55
1982.1	0.00	0.00	0.00	0.00	0.00	0.00	79.07	22.29
2	0.00	2.10	20.41	1.23	0.00	0.00	153.06	69.30
1983.1	0.00	0.47	24.51	16.91	0.00	0.00	168.44	82.80
2	0.00	1.33	29.83	33.63	0.00	0.00	175.60	90.00
1984.1[e]	0.00	1.34	29.95	32.93	12.64	0.00	126.62	90.19
2	0.00	1.35	29.78	38.71	10.37	0.00	203.24	90.55
3	0.00	1.40	30.74	47.25	9.87	0.00	214.32	93.32
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Deferred net losses (gains) on loans and other assets sold.

[c]Goodwill and other intangible assets.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly during 1984.

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Table 33

Net Worth Assistance Components of Regulatory Net Worth for Eligible Nonparticipants (1977-1984)

	Percentages of RAP							
	Mutual capital certificates	Qualifying subordinated debentures	Appraised equity capital	Net worth certificates[a]	Accrued net worth certificates	Income capital certificates	Deferred losses[b]	Goodwill[c]
1977.2[d]	0.00	0.00	0.00	0.00	0.00	0.00	-1.12	0.26
1978.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.75	0.23
2	0.00	0.00	0.00	0.00	0.00	0.00	-2.05	0.19
1979.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.71	0.17
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.50	0.15
1980.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.56	0.73
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.76	0.76
1981.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.87	1.01
2	0.80	0.00	0.00	0.00	0.00	0.00	2.37	13.02
1982.1	5.14	0.00	0.00	0.00	0.00	0.00	14.43	87.04
2	0.00	0.89	5.25	1.02	0.00	6.48	25.80	145.19
1983.1	0.00	0.88	7.32	0.93	0.00	5.45	32.46	132.05
2	0.00	1.72	7.73	0.84	0.00	4.95	28.07	124.86
1984.1[e]	0.04	2.26	7.15	0.81	0.06	4.73	33.19	130.83
2	0.00	2.34	7.46	0.8[illegible]	0.06	4.72	36.09	128.18
3	0.00	3.33	6.92	0.80	0.06	5.22	36.43	129.54
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Some institutions in our set of eligible nonparticipants have net worth certificates. The Bank Board provided us with a list of participants from which some participating institutions were excluded. They have since attempted to improve their list of participants. However, the most recent list provided to us by the Bank Board, as of 12/31/84, did not show at least two institutions that had a total of $37.5 million in net worth certificates.

[b]Deferred net losses gains on loans and other assets sold.

[c]Goodwill and other intangible assets.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly during 1984.

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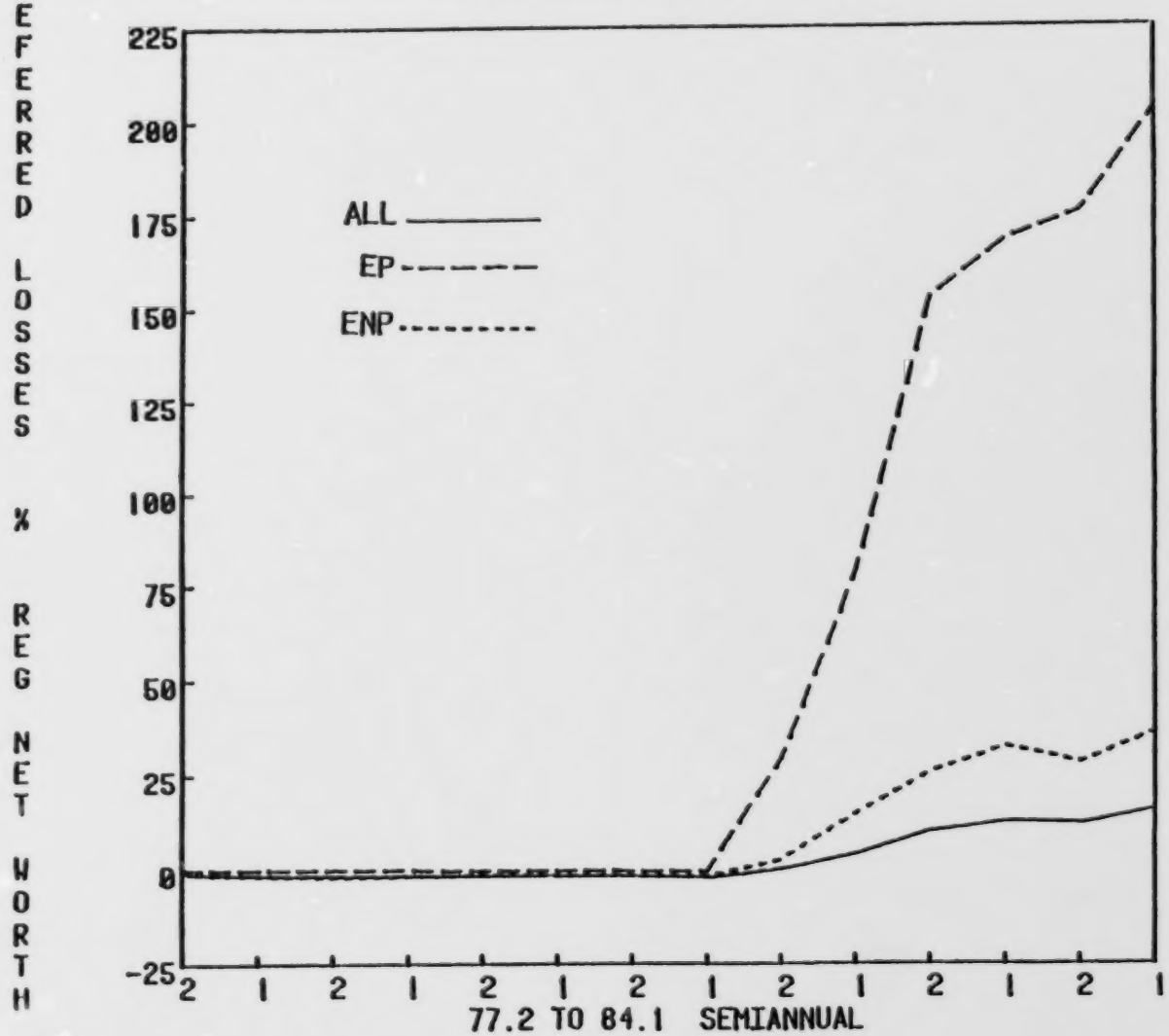
Figure 21

COMPONENTS OF REGULATORY NET WORTH
DEFERRED NET LOSSES



Source: Tables 31,32,33

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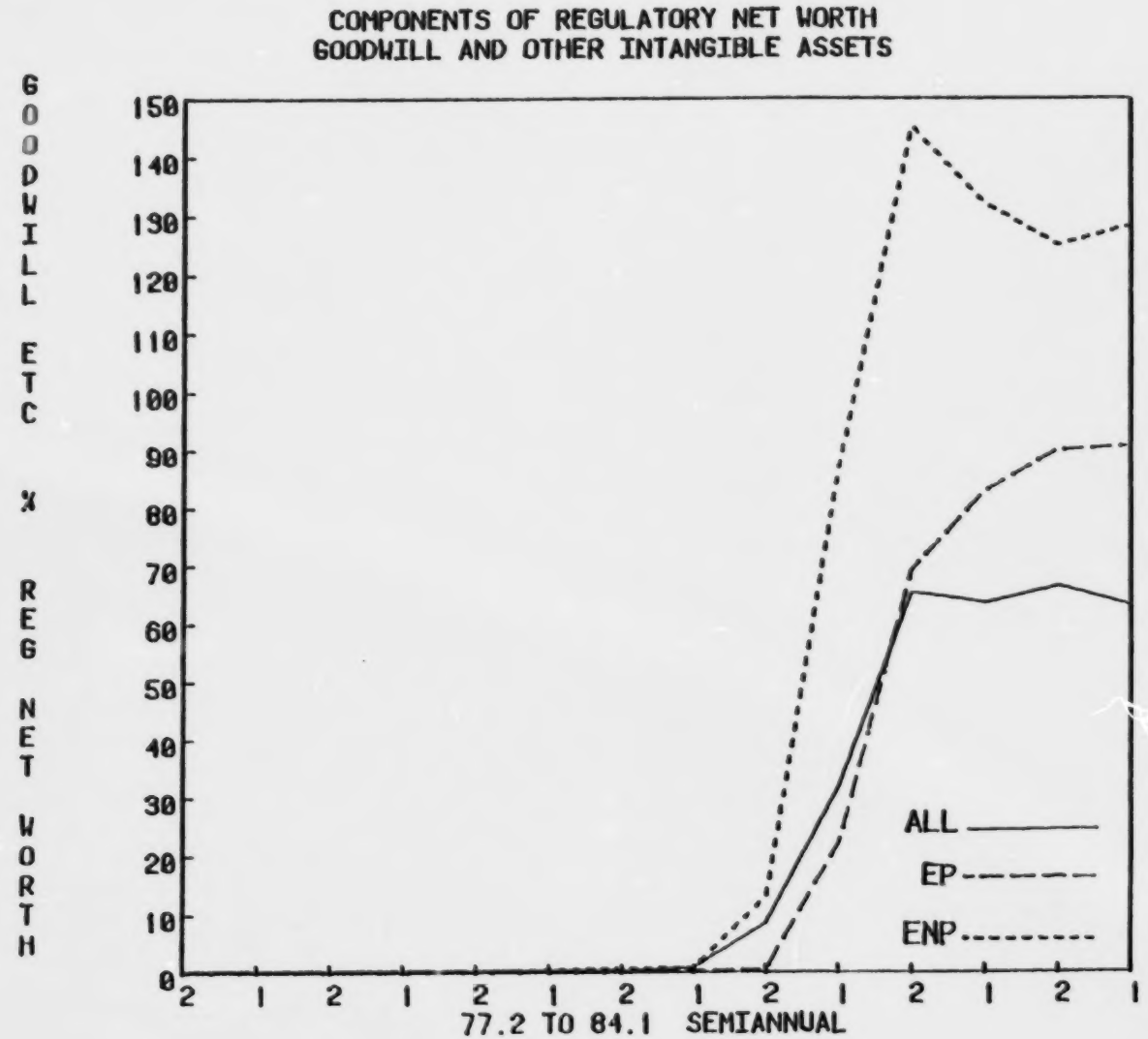
Figure 22



Source: Tables 31,32,33

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INCOME AND AVERAGE RATES OF RETURN EARNED

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Table 34

Income of FSLIC-Insured Institutions (1977-1984)[a]

	Percentages of Total Income					
	All FSLIC-insured institutions		NWC participants		NWC eligible nonparticipants	
	Operating income[b]	Nonoperating income[c]	Operating income[b]	Nonoperating income[c]	Operating income[b]	Nonoperating Income[c]
1977.2[d]	98.9	1.1	99.0	1.0	99.2	0.8
1978.1	99.2	0.8	99.6	0.4	99.5	0.5
2	99.1	0.9	99.3	0.7	99.3	0.7
1979.1	99.1	0.9	99.4	0.6	99.3	0.7
2	98.9	1.1	99.3	0.7	99.1	0.9
1980.1	98.5	1.5	98.6	1.4	98.4	1.6
2	98.6	1.4	98.6	1.4	98.3	1.7
1981.1	98.5	1.5	98.5	1.5	98.3	1.8
2	97.4	2.6	97.7	2.3	98.0	2.0
1982.1	97.1	2.9	96.7	3.3	97.6	2.4
2	92.0	8.0	94.4	5.6	91.6	8.4
1983.1	94.0	6.0	94.1	5.9	91.7	8.3
2	96.1	3.9	96.2	3.8	95.8	4.2
1984.1[e]	96.7	3.3	97.8	2.2	95.6	4.4
2	97.2	2.8	98.1	1.9	96.5	3.5
3	97.2	2.8	98.8	1.2	96.1	3.9
4	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes:

[a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Operating income is the sum of interest on mortgage loans and contracts; interest on mortgage-backed pass-through securities; discounts on mortgage loans; interest on commercial loans, consumer loans, interest and dividends on investments and deposits; income from financing leases; mortgage loan fees; loan servicing fees; other loan fees; fees and service charges on transaction accounts; amortized deferred gains on futures and options hedging assets and hedging liabilities; net income from office building operations, real estate held for investment, repossessed real estate operations, service corporations and subsidiaries; leasing operations; and all other operating income.

[c]Nonoperating income is the sum of profits from the sale of foreclosed real estate, other repossessed property, other real estate held, investment securities, loans, and other assets; amortized deferred gains on loans sold, and other assets sold; and other nonoperating income.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly during 1984.

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Table 35

Composition of Operating Income for All FSLIC-Insured Institutions (1977-1984)[a]

	Percentages of Total Income Derived from							
	Interest on					Fees on		Income from
Period	Mortgage loans	Mortgage-backed securities	Commercial loans	Consumer loans	Investments	Assets	Liabilities	Direct investments[b]
1977.2[c]	79.99	2.60	0.06	2.07	6.77	5.65	N/A	0.48
1978.1	80.67	2.71	0.09	2.07	7.00	5.15	N/A	0.40
2	79.41	2.80	0.11	2.19	7.86	4.88	N/A	0.50
1979.1	78.81	2.93	0.17	2.28	9.03	4.34	N/A	0.46
2	77.50	3.00	0.22	2.55	9.08	4.35	N/A	0.58
1980.1	76.70	3.20	0.27	2.98	10.04	3.19	N/A	0.51
2	75.70	3.72	0.31	2.90	9.64	4.38	N/A	0.62
1981.1	74.32	4.04	0.10	3.26	11.35	3.50	0.07	0.72
2	72.71	4.35	0.08	3.44	11.38	3.04	0.14	0.68
1982.1	70.84	5.45	0.09	3.34	11.34	3.03	0.18	0.63
2	63.79	6.75	0.10	3.18	10.27	3.36	0.23	0.48
1983.1	62.39	8.80	0.20	3.23	10.46	4.62	0.28	0.84
2	61.28	10.12	0.38	3.40	11.16	5.26	0.33	1.01
1984.1[d]	61.61	10.72	0.54	3.52	11.36	4.83	0.38	1.00
2	59.85	11.06	0.72	3.54	11.72	5.24	0.40	1.29
3	60.10	11.30	0.93	3.74	11.69	4.69	0.42	1.31
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]The sum of items on this page will not equal operating income as a percentage of total income in table 34 on the preceding page due to items omitted from this page which individually generate a very small share of total income. See table 34, footnote b.

[b]Includes income from building operations, real estate held for investment, real estate operations, service corporations and subsidiaries, and leasing operations.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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Table 36

Composition of Operating Income for Net Worth Certificate Participants (1977-1984)[a,b]

	Percentages of Total Income Derived from							
	Interest on					Fees on		Income from
Period	Mortgage loans	Mortgage-backed securities	Commercial loans	Consumer loans	Investments	Assets	Liabilities	Direct investments[c]
1977.2[d]	78.49	4.73	0.03	2.10	7.69	4.05	N/A	0.30
1978.1	78.64	5.45	0.04	2.25	8.07	3.65	N/A	0.14
2	76.88	6.09	0.05	2.24	8.53	3.39	N/A	0.44
1979.1	75.34	7.09	0.06	2.48	9.38	3.07	N/A	0.52
2	74.44	7.57	0.06	2.71	9.14	2.80	N/A	0.51
1980.1	72.18	7.84	0.08	3.44	10.06	2.16	N/A	0.77
2	71.88	8.20	0.06	3.21	9.79	3.34	N/A	0.44
1981.1	71.38	8.40	0.04	3.76	10.69	2.46	0.06	0.37
2	71.01	8.64	0.04	4.02	9.67	1.94	0.12	0.53
1982.1	69.55	9.11	0.04	3.58	9.86	2.03	0.19	0.33
2	66.45	9.64	0.03	3.48	8.90	2.13	0.25	0.34
1983.1	65.35	10.14	0.06	3.42	8.95	3.34	0.28	0.17
2	62.96	11.83	0.19	3.79	9.25	5.17	0.32	0.11
1984.1[e]	64.52	12.23	0.29	4.07	9.28	4.43	0.37	0.11
2	62.79	13.37	0.33	4.12	9.35	5.57	0.43	0.44
3	64.79	11.95	0.63	4.20	9.08	4.95	0.41	0.42
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of net worth certificate participants.

[b]See table 35, note a.

[c]Includes income from building operations, real estate held for investment, real estate operations, service corporations and subsidiaries, and leasing operations.

[d]Data are available semiannually through 1983.

[e]Data are available quarterly during 1984.

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APPENDIX V

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Table 37

Composition of Operating Income for Eligible Nonparticipants (1977-1984)[a]

	Percentage of Total Income Derived from							
	Interest on					Fees on		Income from
Period	Mortgage loans	Mortgage-backed securities	Commercial loans	Consumer loans	Investments	Assets	Liabilities	Direct investments[b]
1977.2[c]	79.86	3.15	0.08	1.99	7.02	5.39	N/A	0.45
1978.1	80.49	3.31	0.08	2.04	7.19	5.02	N/A	0.31
2	79.13	3.38	0.08	2.18	7.99	4.92	N/A	0.36
1979.1	78.26	3.55	0.09	2.36	9.30	4.33	N/A	0.34
2	77.26	3.61	0.12	2.60	9.09	4.48	M/A	0.40
1980.1	76.10	3.92	0.13	3.08	9.91	3.43	N/A	0.32
2	74.63	4.84	0.19	3.00	9.52	4.39	N/A	0.48
1981.1	73.04	5.41	0.21	3.39	10.87	3.56	0.08	0.62
2	71.45	5.98	0.14	3.71	11.36	2.90	0.15	0.72
1982.1	69.03	7.75	0.12	3.68	10.93	2.77	0.17	0.66
2	61.26	8.88	0.14	3.44	9.98	2.85	0.22	0.57
1983.1	58.43	11.43	0.29	3.33	10.08	3.78	0.27	0.70
2	57.95	12.94	0.47	3.60	10.99	4.85	0.33	1.18
1984.1[d]	57.57	13.38	0.53	3.94	11.39	4.33	0.38	1.00
2	55.46	13.68	0.73	4.00	12.78	4.71	0.39	1.24
3	54.78	13.90	0.90	4.26	13.30	4.23	0.40	0.98
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

[a]See table 35, note a.

[b]Includes income from building operations, real estate held for investment, real estate operations, service corporations and subsidiaries, and leasing operations.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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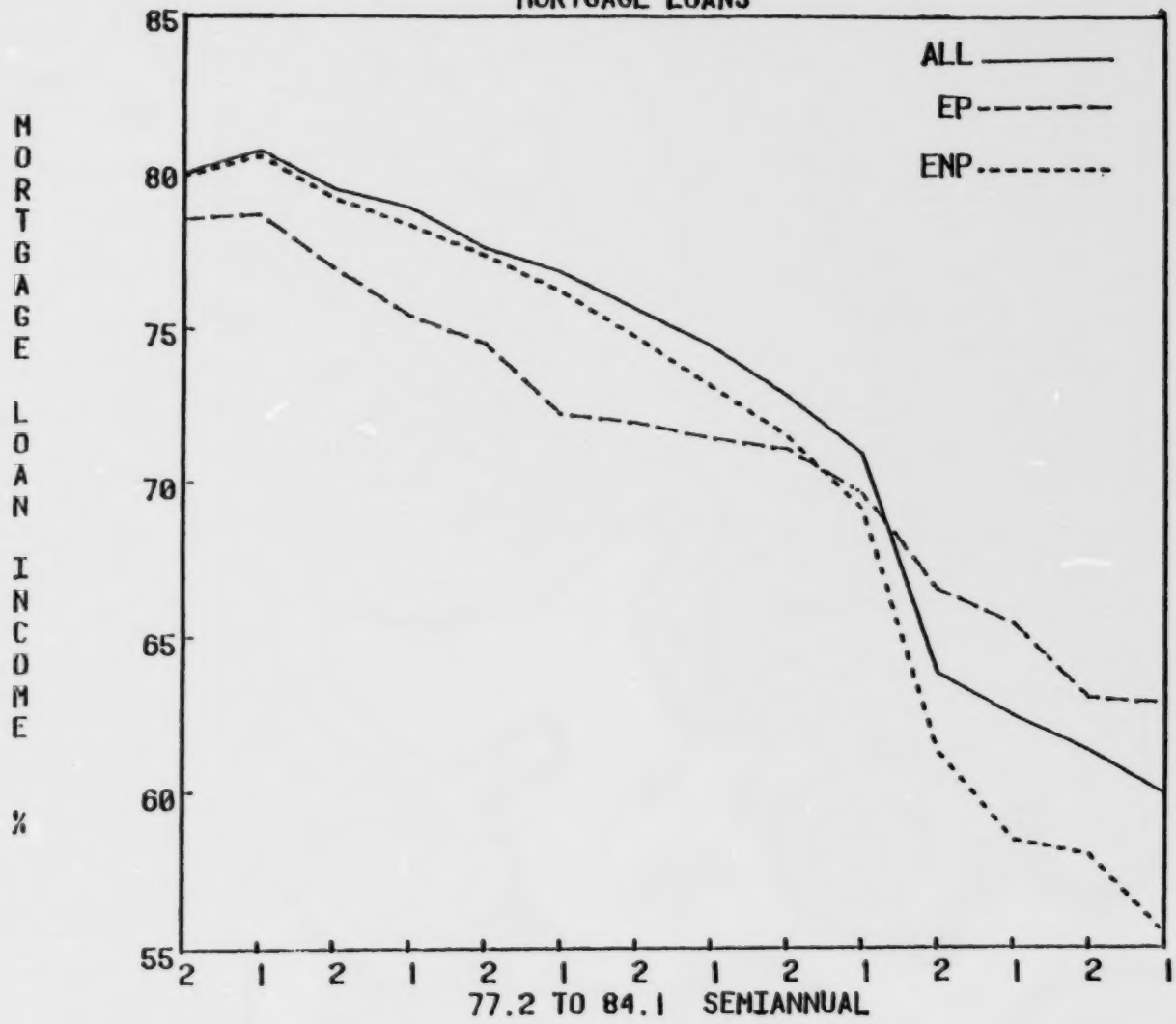
Figure 23

OPERATING INCOME
PERCENTAGE OF TOTAL INCOME DERIVED FROM
MORTGAGE LOANS



Source: Tables 35,36,37

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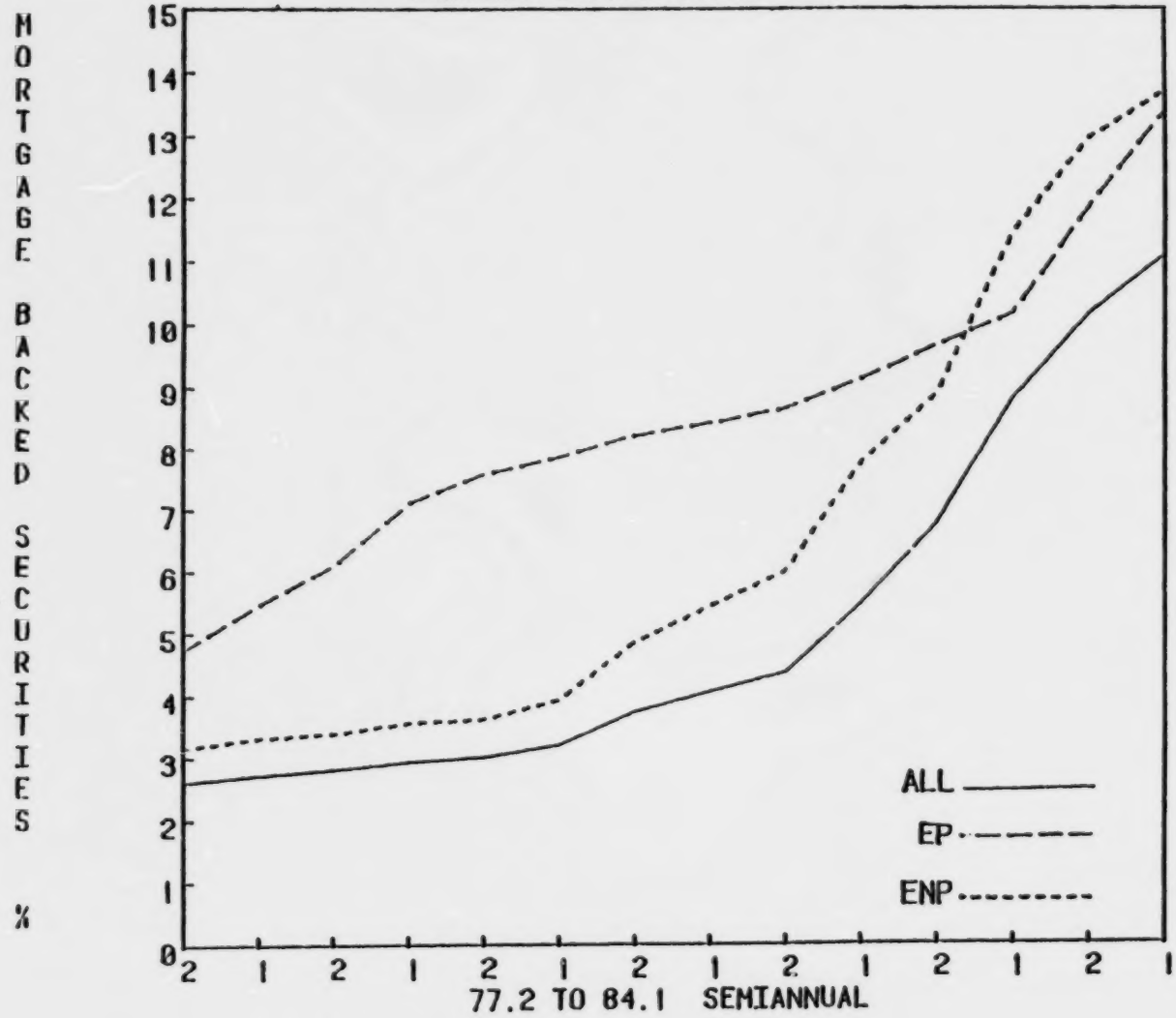
Figure 24

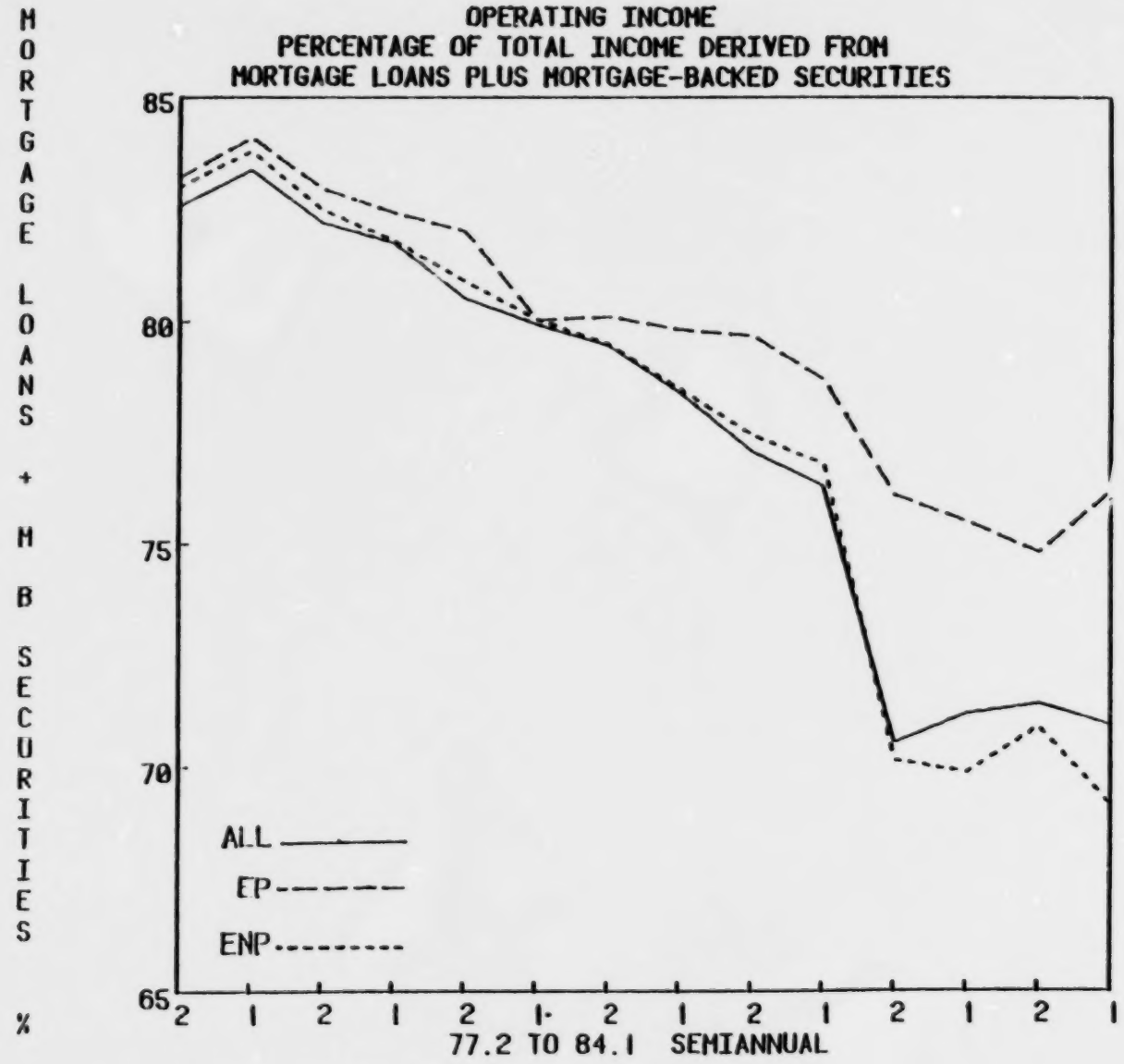
OPERATING INCOME
PERCENTAGE OF TOTAL INCOME DERIVED FROM
MORTGAGE-BACKED SECURITIES



Source: Tables 35,36,37

APPENDIX V

Figure 25



Source: Derived from tables 35,36,37

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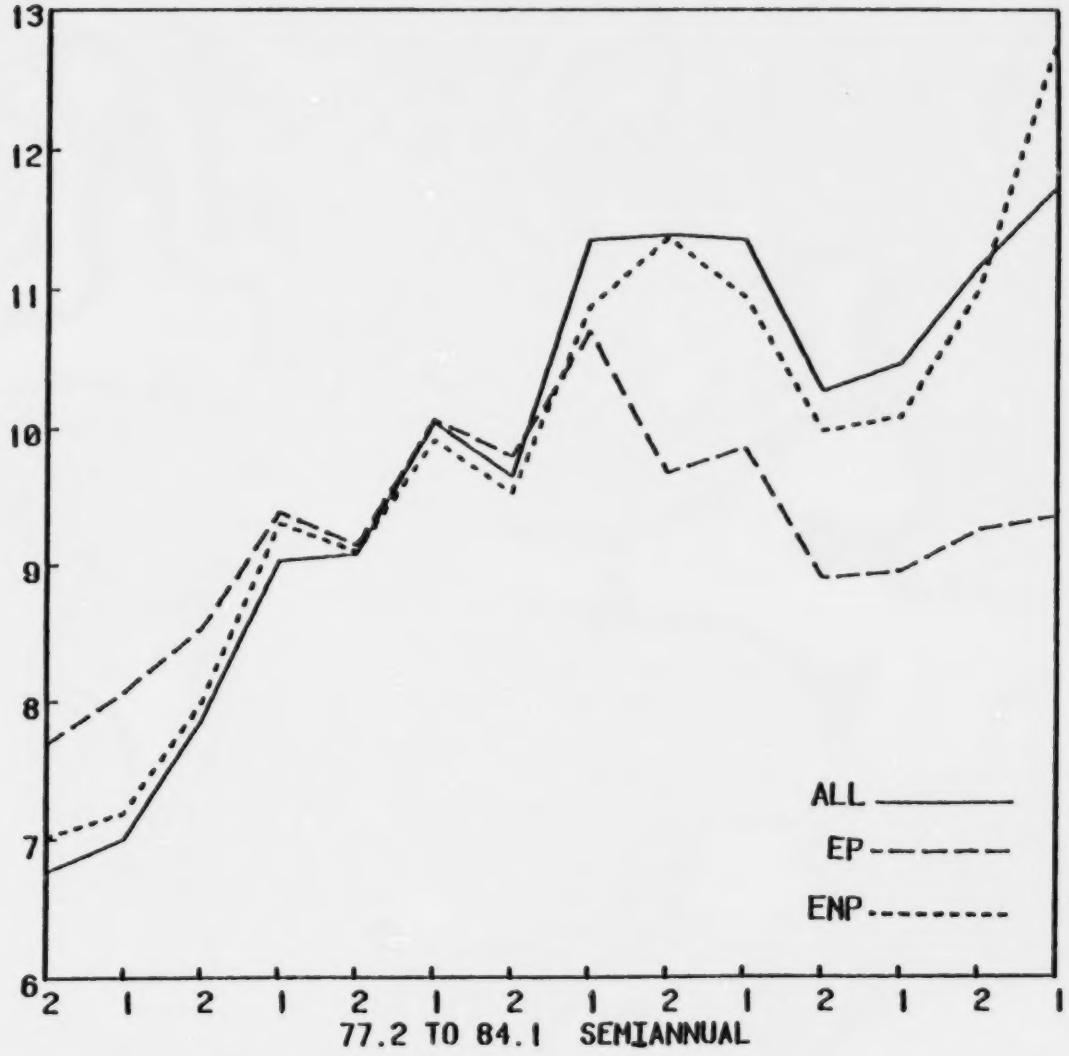
Figure 26

OPERATING INCOME
PERCENTAGE OF TOTAL INCOME DERIVED FROM INVESTMENTS

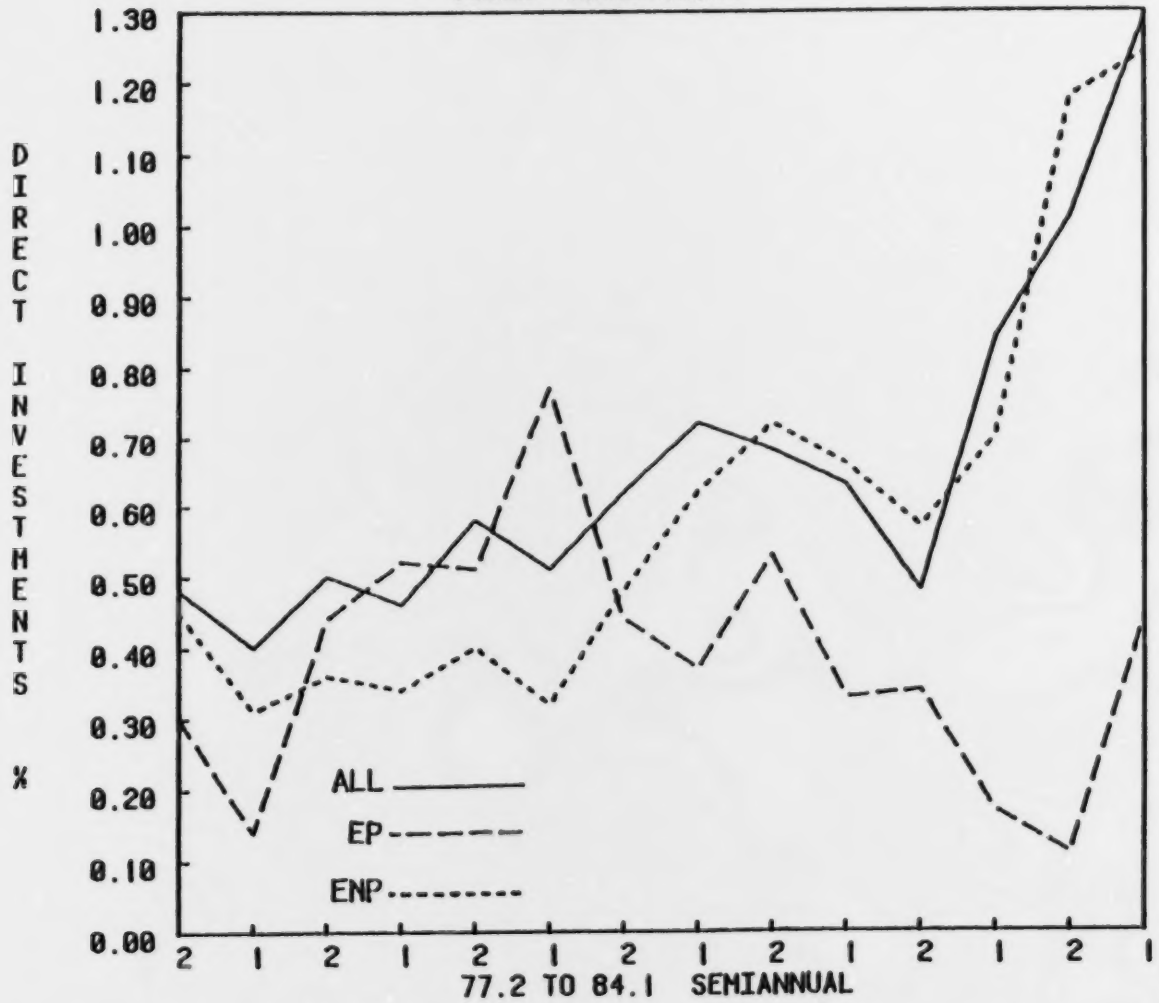


Source: Tables 35,36,37

APPENDIX V

Figure 27

OPERATING INCOME
PERCENTAGE OF TOTAL INCOME DERIVED FROM
DIRECT INVESTMENTS



Source: Tables 35,36,37

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APPENDIX V

APPENDIX V

Table 38

Average Rate of Return by Asset Type for All FSLIC-Insured Institutions (1977-1984)[a]

Period	Mortgages	Mortgage-backed securities	Consumer loans	Commercial loans	Liquid assets[b]
1977.2[c]	7.76	7.40	7.54	7.43	6.47
1978.1	7.89	7.24	8.29	7.93	6.83
2	8.09	7.47	8.68	8.92	7.90
1979.1	8.26	7.62	9.05	9.15	8.92
2	8.60	7.77	9.05	9.69	10.38
1980.1	8.99	7.94	10.63	11.05	11.00
2	9.08	8.16	10.15	10.34	10.30
1981.1	9.47	8.77	11.89	10.37	13.04
2	9.85	9.09	13.24	10.01	13.03
1982.1	10.14	8.50	13.27	12.18	12.08
2	10.29	8.75	12.70	10.81	10.22
1983.1	10.05	9.05	11.98	9.94	8.38
2	10.00	9.79	11.96	10.46	9.24
1984.1[d]	10.26	9.94	12.48	11.37	9.25
2	10.27	10.21	12.59	10.73	10.31
3	10.45	10.64	12.75	12.24	10.60
4	N/A	N/A	N/A	N/A	

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]Average rates of return shown above for particular asset types are approximations. They are calculated by dividing each income type by the corresponding asset type. These numbers can be affected by the timing of changes in the stocks and flows involved and by abrupt changes in the small numbers found in some categories, particularly when looking at a subset of the industry.

[b]Liquid assets are cash, deposits, and investment securities.

[c]Data available semiannually through 1983.

[d]Data available quarterly during 1984.

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APPENDIX V

Table 39

Average Rate of Return by Asset Type for Net Worth Certificate Participants (1977-1984)[a,b]

Period	Mortgages	Mortgage-backed securities	Consumer loans	Commercial loans	Liquid assets
1977.2[c]	7.63	7.18	7.75	7.21	6.45
1978.1	7.81	6.73	8.42	8.04	6.96
2	7.98	7.07	8.28	7.93	7.32
1979.1	8.13	7.55	9.94	8.80	8.47
2	8.39	7.87	8.61	8.94	9.18
1980.1	8.62	8.13	10.59	12.39	9.74
2	8.67	8.16	9.98	9.70	9.69
1981.1	9.00	8.67	12.76	10.91	11.76
2	9.45	9.20	14.07	14.99	12.25
1982.1	9.71	9.71	13.53	12.75	11.57
2	9.63	10.99	12.73	12.98	9.86
1983.1	9.79	9.51	11.72	11.90	8.57
2	9.63	10.08	11.58	11.13	9.55
1984.1[d]	9.96	10.31	12.68	8.96	8.34
2	9.95	10.41	12.79	8.25	9.94
3	10.23	10.16	12.57	14.86	10.01
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]Average rates of return shown above for particular asset types are approximations. They are calculated by dividing each income type by the corresponding asset type. These numbers can be affected by the timing of changes in the stocks and flows involved and by abrupt changes in the small numbers found in some categories, particularly when looking at a subset of the industry.

[b]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[c]Data available semiannually through 1983.

[d]Data available quarterly during 1984.

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APPENDIX V

Table 40

Average Rate of Return by Asset Type for Eligible Nonparticipants (1977-1984)[a]

Period	Mortgages	Mortgage-backed securities	Consumer loans	Commercial loans	Liquid assets
1977.2[b]	7.71	7.27	7.37	7.37	6.44
1978.1	7.82	7.29	8.09	7.79	6.77
2	7.99	7.38	8.61	9.23	7.80
1979.1	8.18	7.70	9.14	9.71	8.81
2	8.51	7.83	9.09	9.66	10.34
1980.1	8.89	7.81	10.53	10.67	11.17
2	8.99	8.12	9.86	9.85	10.09
1981.1	9.42	9.02	11.84	10.40	12.53
2	9.90	9.32	13.00	8.40	13.78
1982.1	10.01	9.03	13.23	12.83	11.65
2	10.24	8.92	12.91	12.74	10.23
1983.1	10.08	9.50	12.15	9.17	8.45
2	9.96	9.77	11.63	9.87	9.51
1984.1[c]	10.29	10.00	12.59	10.41	9.06
2	10.16	10.06	12.46	11.41	10.36
3	10.33	10.69	12.67	11.18	10.78
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]Average rates of return shown above for particular asset types are approximations. They are calculated by dividing each income type by the corresponding asset type. These numbers can be affected by the timing of changes in the stocks and flows involved and by abrupt changes in the small numbers found in some categories, particularly when looking at a subset of the industry.

[b]Data available semiannually through 1983.

[c]Data available quarterly during 1984.

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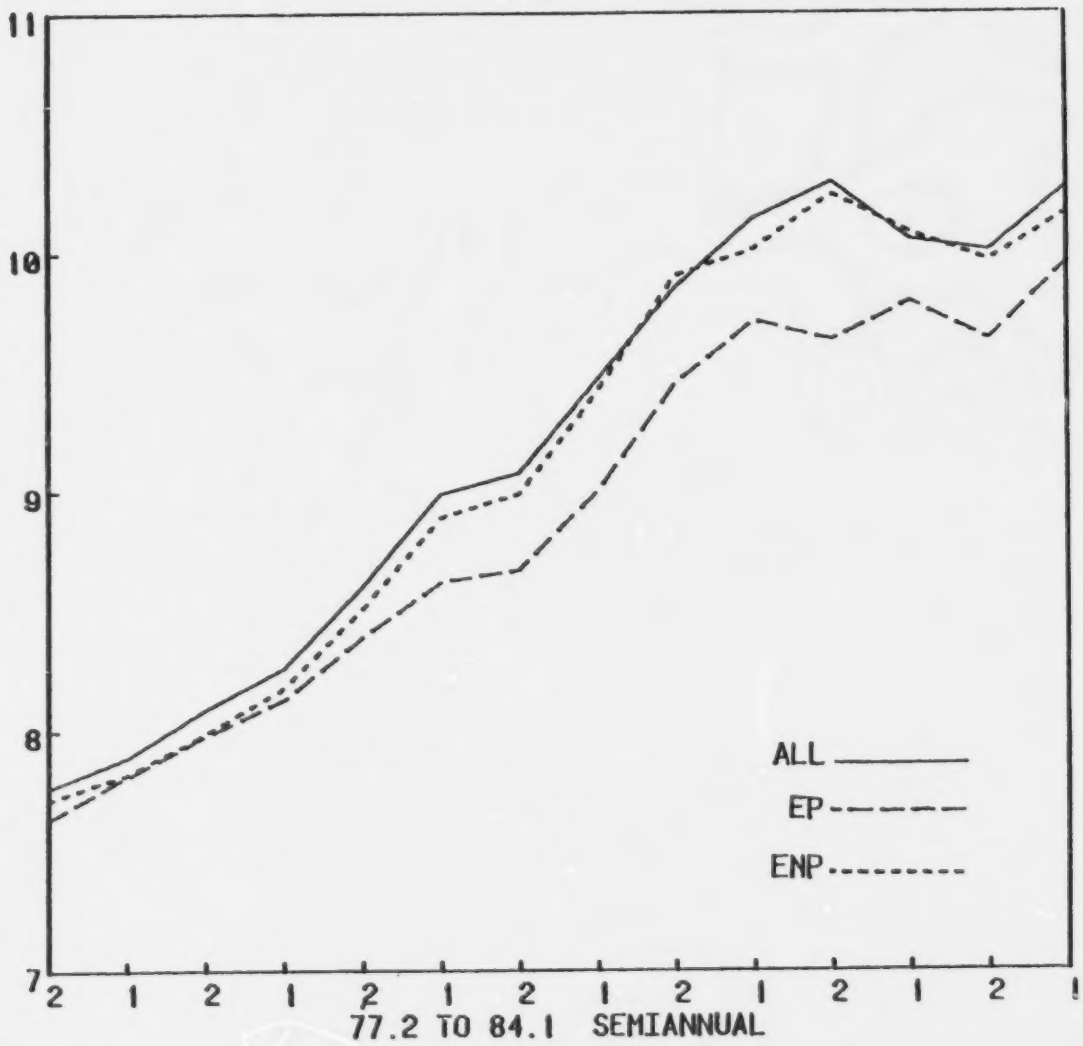
Figure 28

RATE OF RETURN
EARNED ON MORTGAGES



Source: Tables 38,39,40

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APPENDIX A

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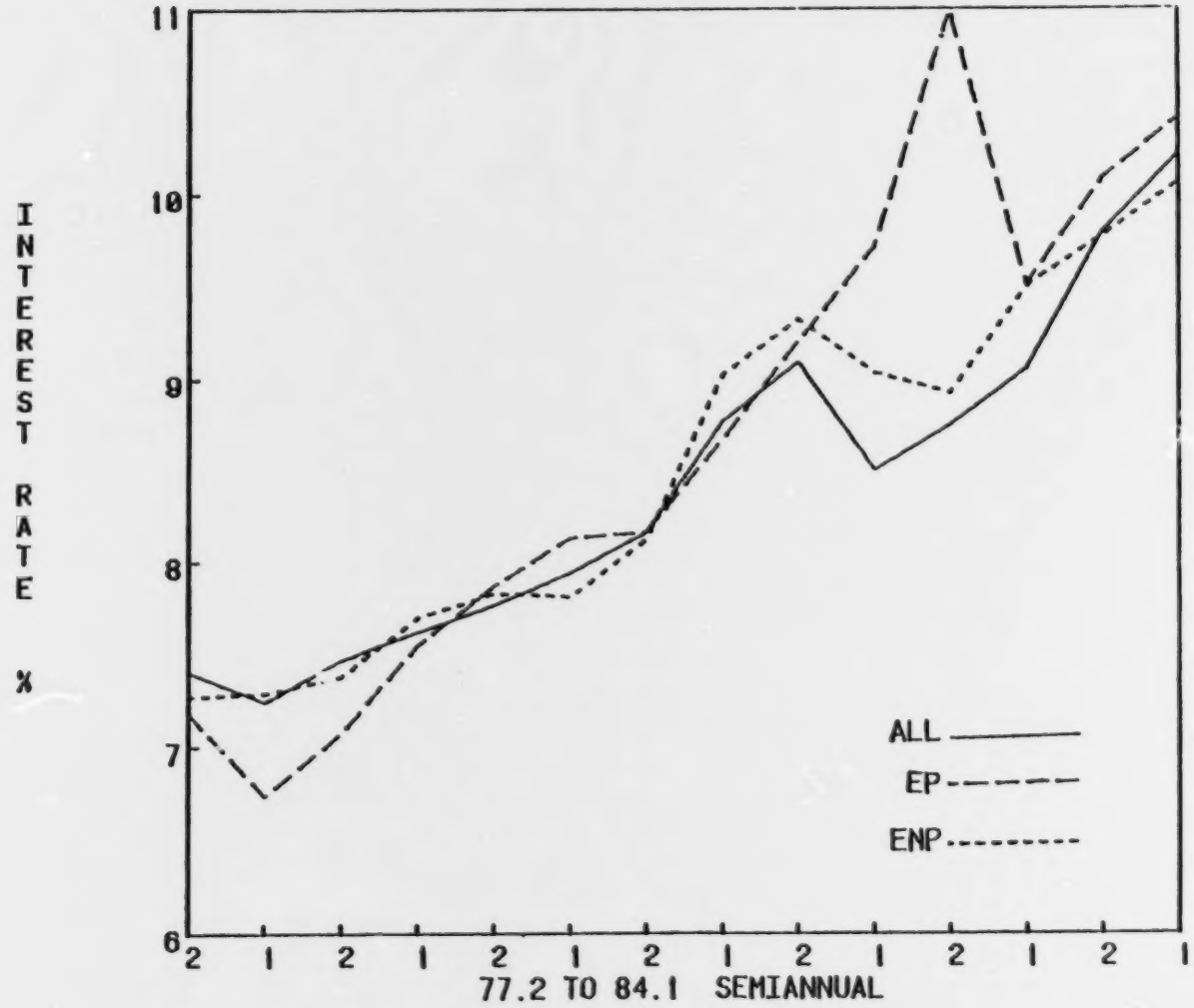
Figure 29

RATE OF RETURN
EARNED ON MORTGAGE-BACKED SECURITIES

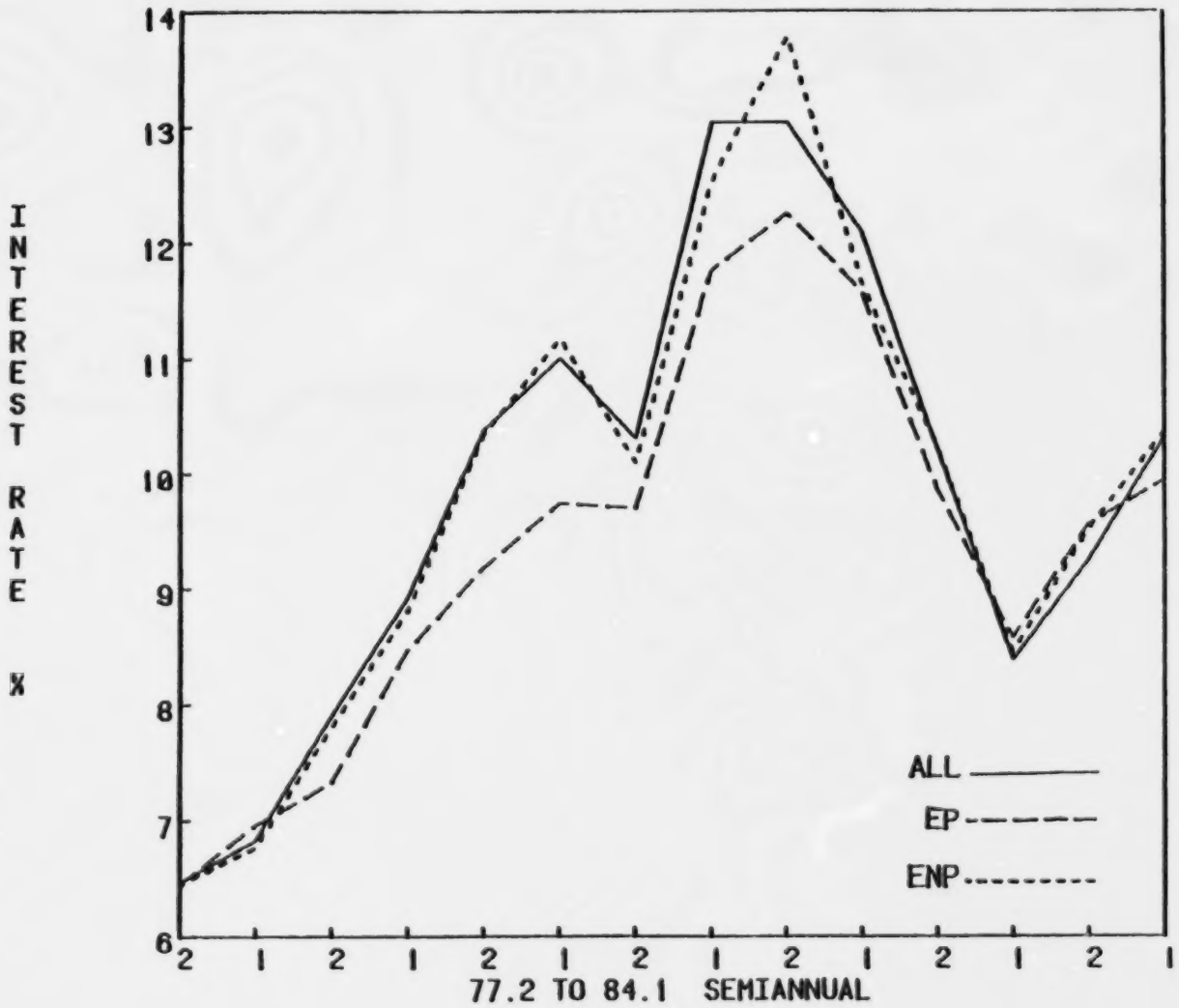


Source: Tables 38,39,40

APPENDIX V

Figure 30

RATE OF RETURN
EARNED ON LIQUID ASSETS



Source: Tables 38,39,40

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APPENDIX V

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Table 41

Income of FSLIC-Insured Institutions (1977-1984)[a]

Percentages of Total Assets at Annual Rates

	All institutions			Net worth certificate participants			Eligible nonparticipants		
	Total income[b]	Operating income	Nonoperating income	Total income[b]	Operating income	Nonoperating income	Total income[b]	Operating income	Nonoperating income
1977.2[c]	8.28	8.20	0.09	7.93	7.85	0.08	8.15	8.08	0.07
1978.1	8.34	8.28	0.06	7.98	7.95	0.03	8.23	8.19	0.04
2	8.63	8.56	0.07	8.22	8.16	0.06	8.50	8.45	0.06
1979.1	8.81	8.73	0.08	8.46	8.41	0.05	9.72	8.65	0.06
2	9.29	9.19	0.10	8.78	8.72	0.06	9.20	9.11	0.08
1980.1	9.61	9.47	0.14	9.12	8.99	0.13	9.55	9.40	0.15
2	9.73	9.60	0.13	9.17	9.05	0.13	9.64	9.48	0.16
1981.1	10.27	10.12	0.16	9.61	9.47	0.14	10.23	10.05	0.18
2	10.72	10.44	0.27	10.07	9.84	0.23	10.72	10.50	0.22
1982.1	10.85	10.53	0.32	10.28	9.94	0.33	10.64	10.38	0.26
2	11.53	10.61	0.92	10.40	9.81	0.58	11.45	10.49	0.96
1983.1	10.95	10.29	0.66	10.28	9.67	0.60	11.12	10.20	0.92
2	11.00	10.57	0.43	10.35	9.96	0.40	10.98	10.52	0.46
1984.1[d]	11.04	10.68	0.37	10.32	10.10	0.22	11.07	10.58	0.48
2	11.34	11.02	0.32	10.66	10.46	0.20	11.20	10.81	0.40
3	11.47	11.15	0.32	10.68	10.54	0.13	11.43	10.98	0.45
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Total income is the sum, allowing for errors of rounding, of operating and nonoperating income.

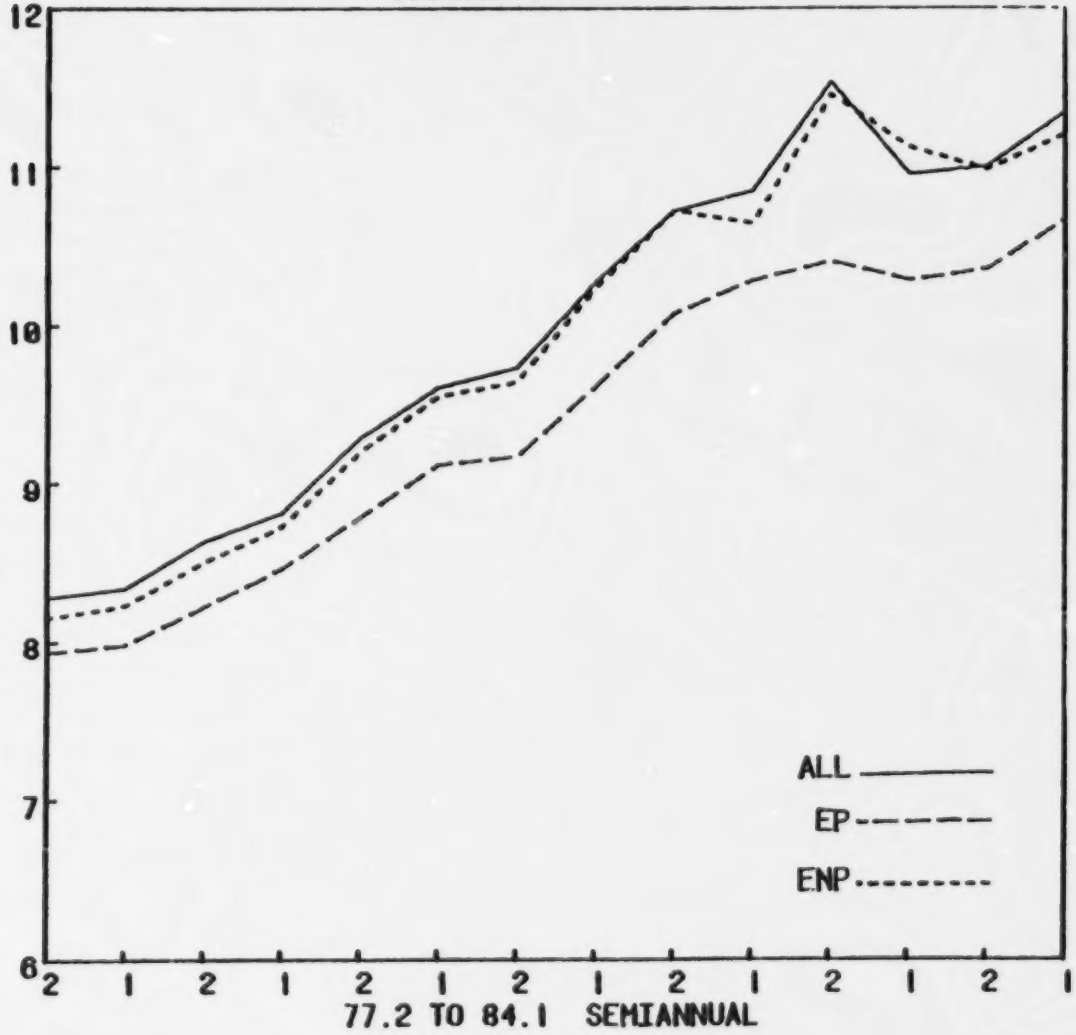
[c]Data are available semiannually through 1973.

[d]Data are available quarterly in 1984.

APPENDIX V

Figure 31

INCOME COMPOSITION
TOTAL INCOME AS A PERCENTAGE OF TOTAL ASSETS
ANNUAL RATES



Source: Table 41

APPENDIX V

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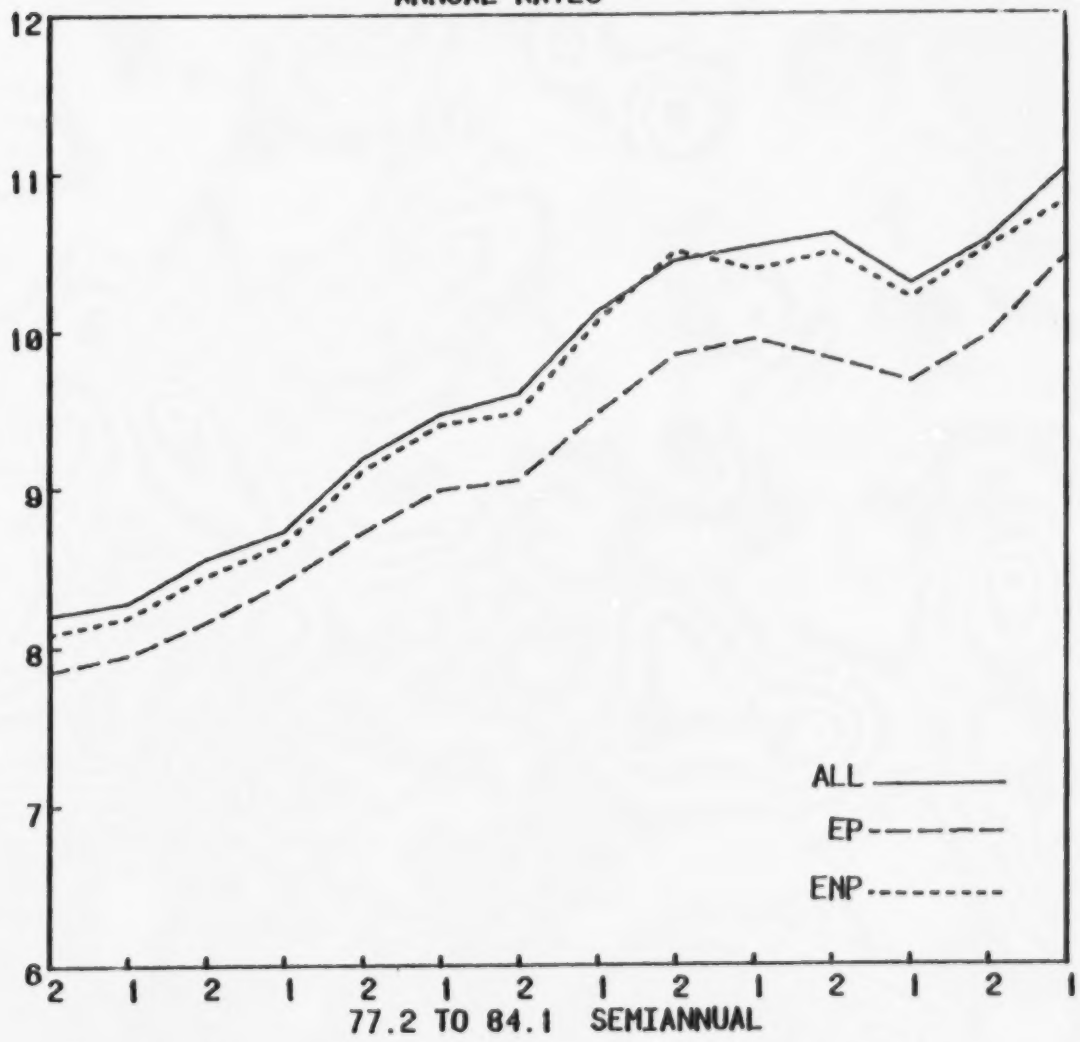
Figure 32

INCOME COMPOSITION
OPERATING INCOME AS A PERCENTAGE OF TOTAL ASSETS
ANNUAL RATES



Source: Table 41

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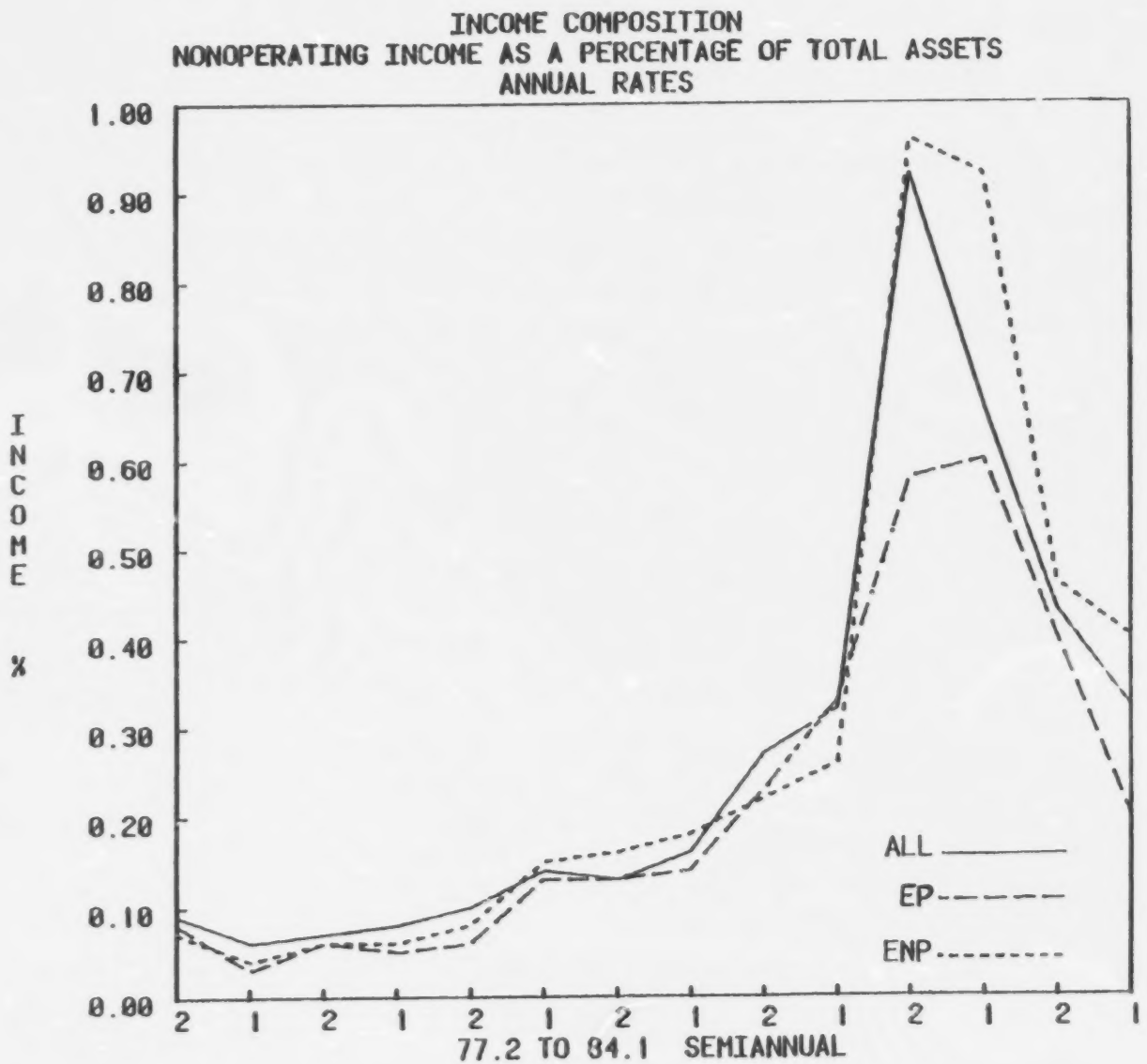
Figure 33



Source: Table 41

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APPENDIX V

APPENDIX VI

EXPENSE AND AVERAGE INTEREST RATES PAID

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Table 42

Expense Composition for all FSLIC-Insured Institutions (1977-1984)

Period	Percentages of Total Expense				
	Operating expense[a]	Interest charges[b]	Nonoperating expense[c]	Income taxes[d]	Total[e]
1977.2[f]	16.86	77.35	1.12	4.68	100.01
1978.1	16.72	77.56	0.84	4.88	100.00
.2	16.31	77.83	0.99	4.87	100.00
1979.1	15.68	79.85	0.63	3.84	100.00
.2	15.27	80.65	0.95	3.13	100.00
1980.1	14.01	84.37	0.64	0.99	100.01
.2	14.01	84.68	0.84	0.48	100.01
1981.1	13.12	87.47	0.54	-1.13	100.00
.2	12.30	90.14	0.59	-3.02	100.01
1982.1	12.25	89.22	0.93	-2.40	100.00
.2	13.06	86.54	1.99	-1.60	99.99
1983.1	14.80	82.83	1.70	0.66	99.99
.2	15.09	82.10	2.08	0.73	100.00
1984.1[g]	15.47	82.21	1.50	0.79	99.99
.2	15.24	81.24	2.36	1.16	100.00
.3	14.41	82.84	2.33	0.41	99.99
.4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]Includes directors' fees; office and employee compensation; legal expense; directors', officers', and employees' expense; office occupancy expense; advertising; commissions paid for deposits; professional services; loan services fees; amortization of goodwill; amortized deferred losses on futures and options; and other operating expense.

[b]Interest charges on deposits less penalties for early withdrawal, advance payments by borrowers for taxes and insurance, advances from FHLB, subordinated debentures, mortgage-backed bonds, and other borrowed money, less capitalized interest.

[c]Includes provisions for losses and losses on foreclosed real estate, other repossessed property; other real estate held, investment securities, loans, and other assets. Also includes amortized deferred losses on loans and other assets sold, and other nonoperating expense.

[d]Income taxes include federal, state, and local taxes.

[e]May not sum to 100 because of rounding.

[f]Data are available semiannually through 1983.

[g]Data are available quarterly in 1984.

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Tables 43

Expense Composition for
Net Worth Certificate Participants (1977-1984)[a]

Period	Percentage of Total Expenses				
	Operating expense[b]	Interest charges[c]	Nonoperating expense[d]	Income taxes[e]	Total[f]
1977.2[g]	17.53	78.70	1.16	2.61	100.00
1978.1	17.55	78.82	0.58	3.06	100.01
2	16.65	79.61	1.40	2.33	99.99
1979.1	16.45	81.43	0.34	1.79	100.01
2	15.61	82.69	0.51	1.20	100.00
1980.1	14.67	85.31	0.29	-0.27	100.00
2	15.20	86.02	0.46	-1.67	100.01
1981.1	13.59	87.60	0.40	-1.59	100.00
2	12.97	90.50	0.30	-3.77	100.00
1982.1	12.50	88.97	1.04	-2.51	100.00
2	13.05	86.62	1.30	-0.97	100.00
1983.1	14.13	84.06	1.78	0.02	99.99
2	13.05	83.74	2.55	-0.14	100.00
1984.1[h]	14.66	83.99	1.34	0.00	99.99
2	14.28	83.96	1.75	0.01	99.99
3	13.77	84.30	1.82	0.11	100.00
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Operating Expenses include directors fees; officers' and employees' compensation; legal expenses; director's, officers' and employee's expense; office occupancy expense; furniture, fixtures, equipment, and automobile expense; advertising; commissions paid for deposits; professional services; loan servicing fees; amortization of goodwill; amortized deferred losses on futures/options hedging assets and liabilities, and other operating expense.

[c]Interest charges on deposits, less penalties for early withdrawal, advance payments by borrowers for taxes and insurance, advances from the FHLB, subordinated debentures, mortgage-backed bonds, and other borrowed money, less capitalized interest.

[d]Includes provision for losses on the sale of foreclosed real estate, other repossessed property, other real estate held, investment securities, loans, other assets; and amortized deferred losses on loans and other assets sold; and other nonoperating expenses.

[e]Includes federal, state, local, and other taxes.

[f]Total may not sum to 100.00 because of rounding.

[g]Data are available semiannually through 1983.

[h]Data are available quarterly during 1984.

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APPENDIX VI

Table 44

Expense Composition for
Net Worth Certificate Nonparticipants (1977-1984)

Period	Percentage of Total Expenses				
	Operating expense[a]	Interest charges[b]	Nonoperating expense[c]	Income taxes[d]	Total[e]
1977.2[f]	17.23	77.80	1.05	3.93	100.01
1978.1	17.12	77.64	1.09	4.15	100.00
2	16.70	78.27	0.93	4.10	100.00
1979.1	15.81	80.46	0.54	3.19	100.00
2	15.43	81.31	0.78	2.48	100.00
1980.1	14.08	84.46	0.87	0.59	100.00
2	13.88	85.27	0.83	0.02	100.00
1981.1	13.03	87.93	0.62	-1.58	100.00
2	12.26	90.68	0.74	-3.68	100.00
1982.1	12.28	89.67	0.79	-2.75	99.99
2	13.18	86.95	1.45	-1.57	100.00
1983.1	14.43	83.60	1.71	0.26	100.00
2	14.72	82.82	2.27	0.19	100.00
1984.1[g]	15.22	82.66	1.70	0.42	100.00
2	14.88	82.04	2.51	0.57	100.00
3	13.99	83.47	2.26	0.28	100.00
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports 1977-1984.

Notes: [a]Operating Expenses include directors fees; officers' and employees' compensation; legal expenses; director's, officers' and employee's expense; office occupancy expense; furniture, fixtures, equipment, and automobile expense; advertising; commissions paid for deposits; professional services; loan servicing fees; amortization of goodwill; amortized deferred losses on futures/options hedging assets and liabilities, and other operating expense.

[b]Interest charges on deposits, less penalties for early withdrawal, advance payments by borrowers for taxes and insurance, advances from the FHLB, subordinated debentures, mortgage-backed bonds, and other borrowed money, less capitalized interest.

[c]Includes provision for losses on the sale of foreclosed real estate, other repossessed property, other real estate held, investment securities, loans, other assets; and amortized deferred losses on loans and other assets sold; and other nonoperating expenses.

[d]Includes federal, state, local, and other taxes.

[e]Total may not sum to 100.00 because of rounding.

[f]Data are available semiannually through 1983.

[g]Data are available quarterly during 1984.

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Table 45

Components of Interest Expense for All FSLIC-Insured Institutions (1977-1984)[a]

Period	Percentage of Total Expense Incurred as Interest Paid on: Deposits	FHLB advances	Subordinated debentures	Mortgage-backed bonds	Other borrowed money
1977.2[b]					
1978.1	71.53	4.71	0.04	.0.34	1.27
2	70.31	5.93	0.04	.0.40	1.58
1979.1	71.75	6.40	0.03	0.38	1.88
2	71.92	7.22	0.03	0.53	2.32
1980.1	77.78	7.75	0.03	0.56	2.67
2	75.85	7.45	0.02	0.62	1.93
1981.1	77.64	8.09	0.02	0.53	2.65
2	78.16	10.29	0.02	0.47	3.55
1982.1	75.46	10.47	0.01	0.40	3.63
2	72.32	10.39	0.03	0.37	3.86
1983.1	71.30	8.66	0.03	0.54	2.62
2	71.28	7.47	0.04	0.54	3.09
1984.1[c]	71.73	6.74	0.07	0.49	3.51
2	69.68	6.70	0.08	0.43	4.72
3	70.02	7.34	0.11	0.41	5.45
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports 1977-1984.

Notes: [a]The totals of the rows on this page will not equal interest charges as a percentage of total expenses due to items omitted on this table. These omitted items individually comprise only a small percentage of total expenses. See table 42, footnote b.

[b]Data are available semiannually through 1983.

[c]Data are available quarterly in 1984.

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Table 46

Components of Interest Expenses for Net Worth Certificate Participants (1977-1984)[a,b]

Period	Percentage of Total Expense Incurred as Interest Paid on: Deposits	FHLB advances	Subordinated debentures	Mortgage-backed bonds	Other borrowed money
1977.2[c]	74.43	3.37	0	0.00	1.10
1978.1	72.74	4.50	0	0.00	1.79
2	72.13	5.35	0	0.02	2.42
1979.1	73.62	5.28	0	0.09	2.84
2	73.74	6.86	0	0.08	3.18
1980.1	77.96	7.70	0	0.07	3.59
2	76.87	7.12	0	0.07	3.03
1981.1	77.53	7.69	0	0.06	3.57
2	79.21	9.81	0	0.05	3.56
1982.1	76.48	10.08	0	0.04	2.88
2	75.07	9.87	0	0.03	1.89
1983.1	75.02	8.13	0.01	0.02	1.02
2	75.35	6.91	0.01	0.01	1.59
1984.1[d]	75.05	6.48	0.02	0.00	2.58
2	73.89	6.81	0.02	0.15	3.29
3	72.73	8.11	0.01	0.00	3.62
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Seminannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]The totals of the rows on this page will not equal interest charges as a percentage of total expenses due to items omitted on this table. These omitted items individually comprise only a small percentage of total expenses. See table 43, footnote c.

[b]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly in 1984.

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Table 47

Components of Interest Expenses for Eligible Nonparticipants (1977-1984)[a]

Period	Percentage of Total Expense Incurred as Interest Paid on				
	Deposits	FHLB advances	Subordinated debentures	Mortgage-backed bonds	Other borrowed money
1977.2[b]	73.19	3.84	0.03	0.04	1.04
1978.1	71.77	4.60	0.03	0.19	1.36
2	70.51	6.20	0.04	0.25	1.72
1979.1	71.87	6.81	0.03	0.22	2.08
2	72.05	7.61	0.03	0.30	2.57
1980.1	77.15	8.39	0.03	0.34	2.54
2	75.52	7.96	0.02	0.35	2.65
1981.1	76.30	8.98	0.02	0.30	3.66
2	75.99	11.53	0.03	0.25	5.16
1982.1	73.05	11.62	0.02	0.33	5.33
2	70.18	11.79	0.02	0.21	5.07
1983.1	69.82	10.33	0.02	0.41	3.30
2	69.57	9.23	0.02	0.42	3.82
1984.1[c]	69.38	8.67	0.07	0.49	4.30
2	66.99	8.65	0.04	0.45	6.23
3	66.72	9.19	0.07	0.47	7.36
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Seminannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]The totals of the rows on this page will not equal interest charges as a percentage of total expenses due to items omitted on this table. These omitted items individually comprise only a small percentage of total expenses. See table 44, footnote b.

[b]Data are available semiannually through 1983.

[c]Data are available quarterly in 1984.

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Table 48

Average Interest Rates Paid by All FSLIC-Insured Institutions (1977-1984)[a,b]

Period	Deposits	FHLB advances	Subordinated debentures	Mortgage-backed bonds
1977.2[c]	6.26	6.61	6.82	5.04
1978.1	6.29	6.76	8.02	6.67
2	6.49	7.28	8.54	7.87
1979.1	6.93	8.12	8.60	7.07
2	7.50	8.62	8.75	7.45
1980.1	8.42	10.26	8.90	8.19
2	8.85	9.30	8.59	9.73
1981.1	10.24	10.24	8.81	10.79
2	11.38	12.30	9.27	10.95
1982.1	11.18	12.31	6.86	11.98
2	10.65	13.17	7.37	8.72
1983.1	9.22	12.04	7.84	11.86
2	9.37	11.45	9.69	12.95
1984.1[d]	9.51	11.22	8.67	12.77
2	9.51	10.56	8.88	12.87
3	9.99	11.20	8.87	12.47
4	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]The average interest rates paid on liabilities shown above are calculated by dividing each expense type by the corresponding liabilities type. These numbers can be affected by the timing of changes in the stocks and flows involved, as well as by the small numbers found in some categories. This is particularly true when looking at subsets of the industry.

[b]Data represent average annual interest rates paid.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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APPENDIX VI

Table 49

Average Interest Rates Paid by
Net Worth Certificate Participants (1977-1984)[a,b]

Period	Deposits	FHLB advances	Subordinated debentures	Mortgage-backed securities
1977.2[c]	6.23	6.25	N/A	N/A
1978.1	6.18	6.89	N/A	N/A
2	6.43	7.51	N/A	N/A
1979.1	6.86	8.07	N/A	9.35
2	7.41	7.80	N/A	9.33
1980.1	8.61	10.88	N/A	9.33
2	8.57	9.06	N/A	8.74
1981.1	9.89	10.15	N/A	9.17
2	11.07	12.59	N/A	11.23
1982.1	10.89	12.92	N/A	9.41
2	10.42	13.53	N/A	14.25
1983.1	9.18	12.73	N/A	9.24
2	9.42	11.82	N/A	N/A
1984.1[d]	9.40	11.01	N/A	N/A
2	9.34	9.89	N/A	N/A
3	9.61	11.42	N/A	N/A
4	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]The average interest rates paid on liabilities shown above are calculated by dividing each expense type by the corresponding liability type. These numbers can be affected by the timing of changes in the stocks and flows involved, as well as by the small numbers found in some categories. This is particularly true when looking at subsets of the industry. We are reporting only those numbers that appear somewhat reliable. Caution should be exercised in using these numbers, especially for liability categories other than deposits.

[b]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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Table 50

Average Interest Rates Paid by Eligible Nonparticipants (1977-1984)[a]

Period	Deposits	FHLB advances	Subordinated debentures	Mortgage-backed securities
1977.2[b]	6.24	6.44	8.61	N/A
1978.1	6.26	6.71	7.52	6.38
2	6.46	7.16	8.75	8.74
1979.1	6.89	8.17	8.60	8.51
2	7.47	8.50	8.76	7.16
1980.1	8.73	10.53	8.78	8.74
2	8.83	9.16	8.78	9.24
1981.1	10.22	10.31	8.75	10.74
2	11.41	12.85	10.37	10.45
1982.1	11.11	12.30	9.12	N/A
2	10.57	13.06	9.05	N/A
1983.1	9.35	11.79	8.12	11.35
2	9.43	11.23	N/A	10.56
1984.1[c]	9.54	11.29	10.92	13.72
2	9.50	10.91	N/A	13.31
3	9.86	11.39	N/A	10.15
4	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]The average interest rates paid on liabilities shown above are calculated by dividing each expenses type by the corresponding liability type. These numbers can be affected by the timing of changes in the stocks and flows involved, as well as by the small numbers found in some categories. This particularly true when looking at subsets of the industry. We are reporting only those numbers that appear somewhat reliable. Caution should be exercised in using these numbers, especially for liability categories other than deposits.

[b]Data are available semiannually through 1983.

[c]Data are available quarterly during 1984.

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Table 51

Expense Ratios FSLIC-Insured Institutions (1977-1984)[a]

	Expenditure at Annual Rates as Percentages of Total Assets								
	FSLIC-insured institutions			Net worth certificate participants			Eligible nonparticipants		
	Total expense[b]	Operating and interest expense	Nonoperating expense	Total expense[b]	Operating and interest expense	Nonoperating expense	Total expense[b]	Operating and interest expense	Nonoperating expense
1977.2[c]	7.49	7.06	0.08	7.36	7.08	0.09	7.48	7.10	0.08
1978.1	7.54	7.11	0.06	7.40	7.13	0.04	7.55	7.15	0.08
2	7.81	7.35	0.07	7.65	7.37	0.11	7.77	7.38	0.07
1979.1	8.12	7.76	0.05	8.02	7.85	0.03	8.11	7.81	0.04
2	8.64	8.29	0.08	8.42	8.28	0.04	8.64	8.36	0.07
1980.1	9.45	9.29	0.06	9.34	9.34	0.03	9.47	9.34	0.08
2	9.63	9.50	0.08	9.38	9.50	0.04	9.64	9.56	0.08
1981.1	10.76	10.82	0.06	10.73	10.85	0.04	10.82	10.93	0.07
2	11.67	11.95	0.07	11.68	12.09	0.04	11.90	12.25	0.09
1982.1	11.83	12.00	0.11	12.02	12.19	0.12	11.91	12.16	0.09
2	11.80	11.75	0.24	11.96	11.92	0.16	11.96	11.97	0.17
1983.1	10.65	10.40	0.18	10.83	10.64	0.19	10.89	10.67	0.19
2	10.77	10.47	0.22	10.91	10.65	0.27	10.94	10.67	0.25
1984.1[d]	10.80	10.64	0.16	10.88	10.73	0.15	11.04	10.81	0.19
2	11.04	10.65	0.26	10.84	10.65	0.19	11.09	10.74	0.28
3	11.42	11.11	0.27	11.20	10.99	0.20	11.49	10.20	0.26
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

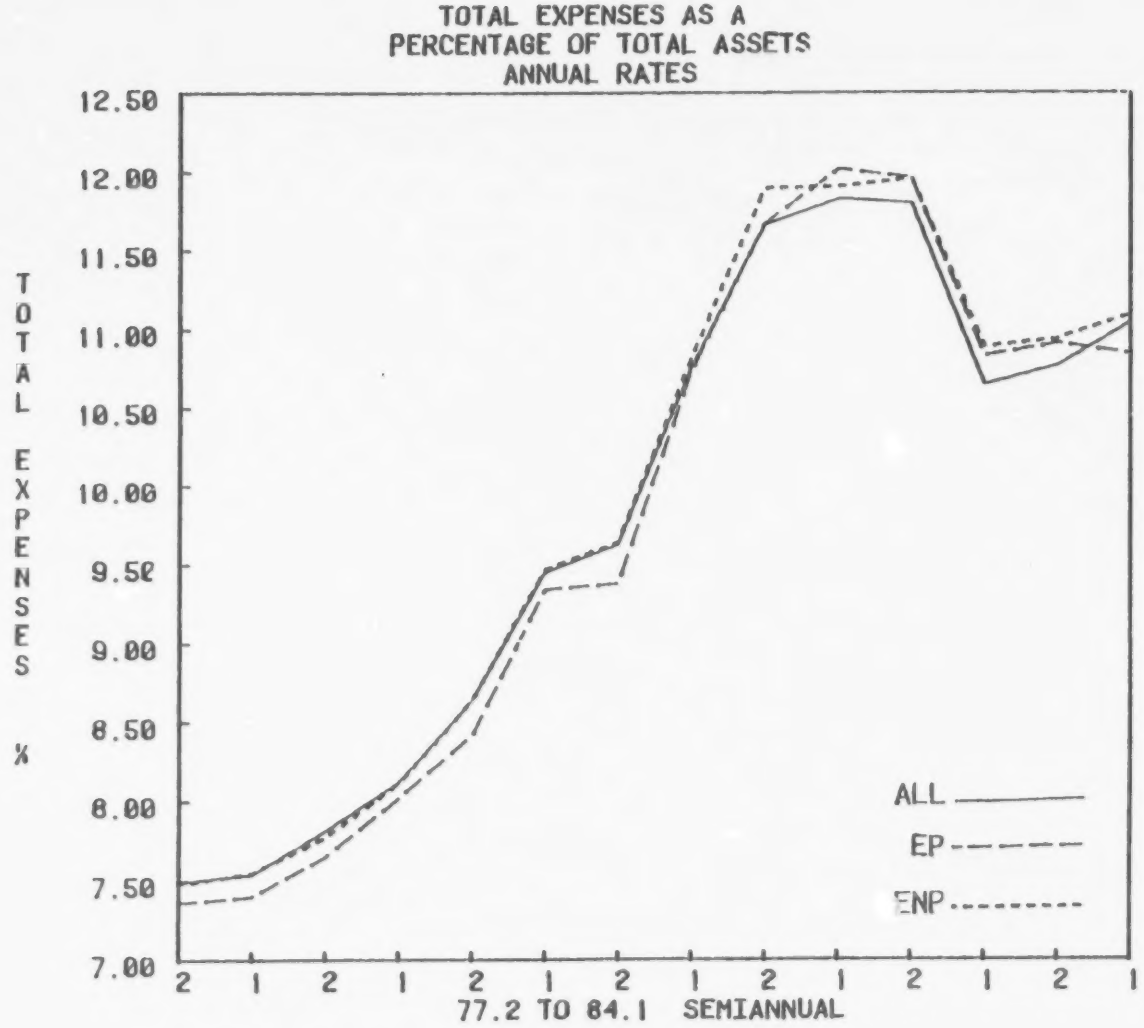
[b]Total expense is composed of operating expense, interest charges, nonoperating expense, and income taxes.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly in 1984.

APPENDIX VI

Figure 34



Source: Table 51

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APPENDIX VI

APPENDIX VII

PROFITABILITY AND RATES OF RETURN ON ASSETS AND EQUITY

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Table 52

Profitability of All FSLIC-Insured Institutions (1977-1984)

	Income at Annual Rates as Percentages of Total Assets				
	Net income[a]	Net operating income[b]	Net nonoperating income[c]	Operating income ratio[d]	Nonoperating income ratio[e]
1977.2[f]	0.79	1.14	0.003	1.16	1.04
1978.1	0.80	1.17	0.001	1.16	1.02
2	0.82	1.21	-0.003	1.16	0.96
1979.1	0.69	0.98	0.024	1.13	1.47
2	0.65	0.90	0.021	1.11	1.26
1980.1	0.17	0.18	0.084	1.02	2.39
2	0.10	0.09	0.053	1.01	1.65
1981.1	-0.48	-0.70	0.097	0.94	2.68
2	-0.95	-1.51	0.206	0.87	3.97
1982.1	-0.97	-1.47	0.210	0.88	2.92
2	-0.27	-1.15	0.684	0.90	3.91
1983.1	0.30	-0.11	0.480	0.99	3.65
2	0.23	0.10	0.204	1.01	1.91
1984.1[g]	0.16	0.04	0.202	1.00	2.24
2	0.30	0.37	0.055	1.03	1.21
3	0.05	0.04	0.056	1.00	1.21
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports 1977-1984.

Notes: [a]Net income is total income less total expense.

[b]Net operating income is operating income less operating expense and interest charges.

[c]Net nonoperating income is nonoperating income less nonoperating expense.

[d]The operating income ratio is the ratio of operating income to operating expense and interest charges.

[e]The nonoperating income ratio is the ratio of nonoperating income to nonoperating expense.

[f]Data are available semiannually through 1983.

[g]Data are available quarterly during 1984.

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APPENDIX VII

APPENDIX VII

Table 53

Profitability of Net Worth Certificate Eligible Participants (1977-1984)[a]

	Income at Annual Rates as Percentages of Total Assets				
	Net income[b]	Net operating income[c]	Net nonoperating income[d]	Operating income ratio[e]	Nonoperating income ratio[f]
1977.2[g]	0.58	0.77	-0.005	1.11	0.94
1978.1	0.58	0.82	-0.012	1.12	0.71
2	0.57	0.80	-0.048	1.11	0.55
1979.1	0.44	0.56	0.023	1.07	1.85
2	0.36	0.44	0.017	1.05	1.40
1980.1	-0.22	-0.35	0.102	0.96	4.80
2	-0.21	-0.45	0.085	0.95	3.00
1981.1	-1.12	-1.39	0.098	0.87	3.29
2	-1.62	-2.25	0.192	0.81	6.40
1982.1	-1.74	-2.25	0.210	0.82	2.68
2	-1.56	-2.11	0.429	0.82	3.76
1983.1	-0.55	-0.96	0.412	0.91	3.14
2	-0.56	-0.69	0.119	0.93	1.43
1984.1[h]	-0.56	-0.63	0.076	0.94	1.52
2	-0.18	-0.19	0.010	0.98	1.06
3	-0.52	-0.44	-0.071	0.96	0.65
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Net income is total income less total expense.

[c]Net operating income is operating income less operating expense and interest charges.

[d]Net nonoperating income is nonoperating income less nonoperating expense.

[e]The operating income ratio is the ratio of operating income to operating expense and interest charges.

[f]The nonoperating income ratio is the ratio of nonoperating income to nonoperating expense.

[g]Data are available semiannually through 1983.

[h]Data are available quarterly during 1984.

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Table 54

Profitability of Eligible Nonparticipants (1977-1984)

	Income at Annual Rates as Percentages of Total Assets				
	Net income[a]	Net operating income[b]	Net nonoperating income[c]	Operating income ratio[d]	Nonoperating income ratio[e]
1977.2[f]	0.67	0.98	-0.011	1.14	0.86
1978.1	0.68	1.04	-0.040	1.14	0.52
2	0.73	1.06	-0.016	1.14	0.78
1979.1	0.60	0.84	0.018	1.11	1.42
2	0.55	0.75	0.015	1.10	1.22
1980.1	0.08	0.07	0.067	1.01	1.82
2	0.00	-0.08	0.080	0.99	2.00
1981.1	-0.59	-0.88	0.112	0.92	2.67
2	-1.18	-1.75	0.130	0.86	2.47
1982.1	-1.28	-1.77	0.164	0.85	2.73
2	-0.51	-1.48	0.785	9.88	5.54
1983.1	0.23	-0.48	0.736	0.96	4.95
2	0.04	-0.16	0.213	0.99	1.86
1984.1[g]	0.02	-0.23	0.294	0.98	2.56
2	0.12	0.06	0.118	1.01	1.42
3	-0.06	-0.21	0.191	0.98	1.74
4	N/A	N/A	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984.

Notes: [a]Net income is total income less total expense.

[b]Net operating income is operating income less operating expense and interest charges.

[c]Net nonoperating income is nonoperating income less nonoperating expense.

[d]The operating income ratio is the ratio of operating income to operating expense and interest charges.

[e]The nonoperating income ratio is the ratio of nonoperating income to nonoperating expense.

[f]Data are available semiannually through 1983.

[g]Data are available quarterly during 1984.

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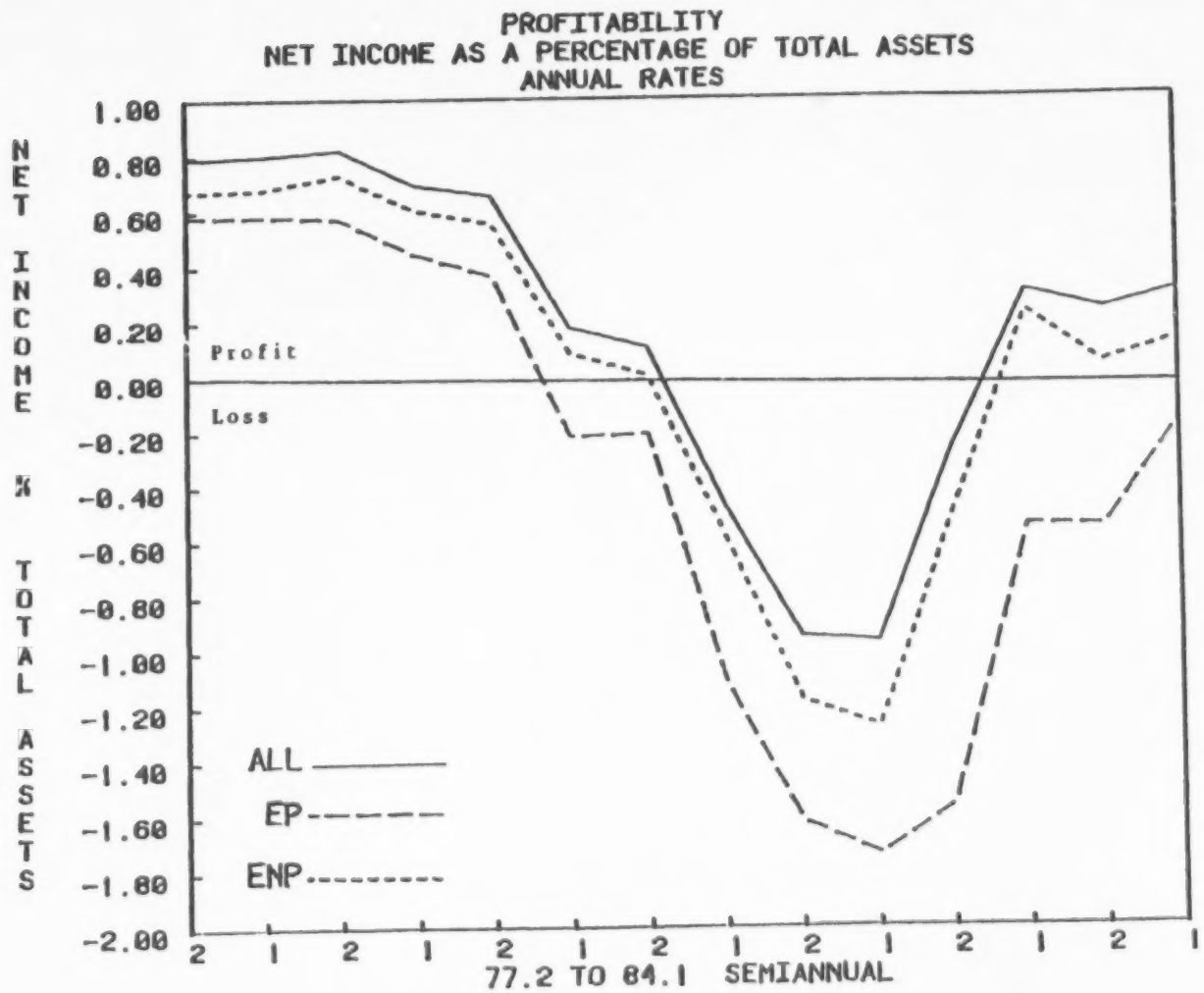
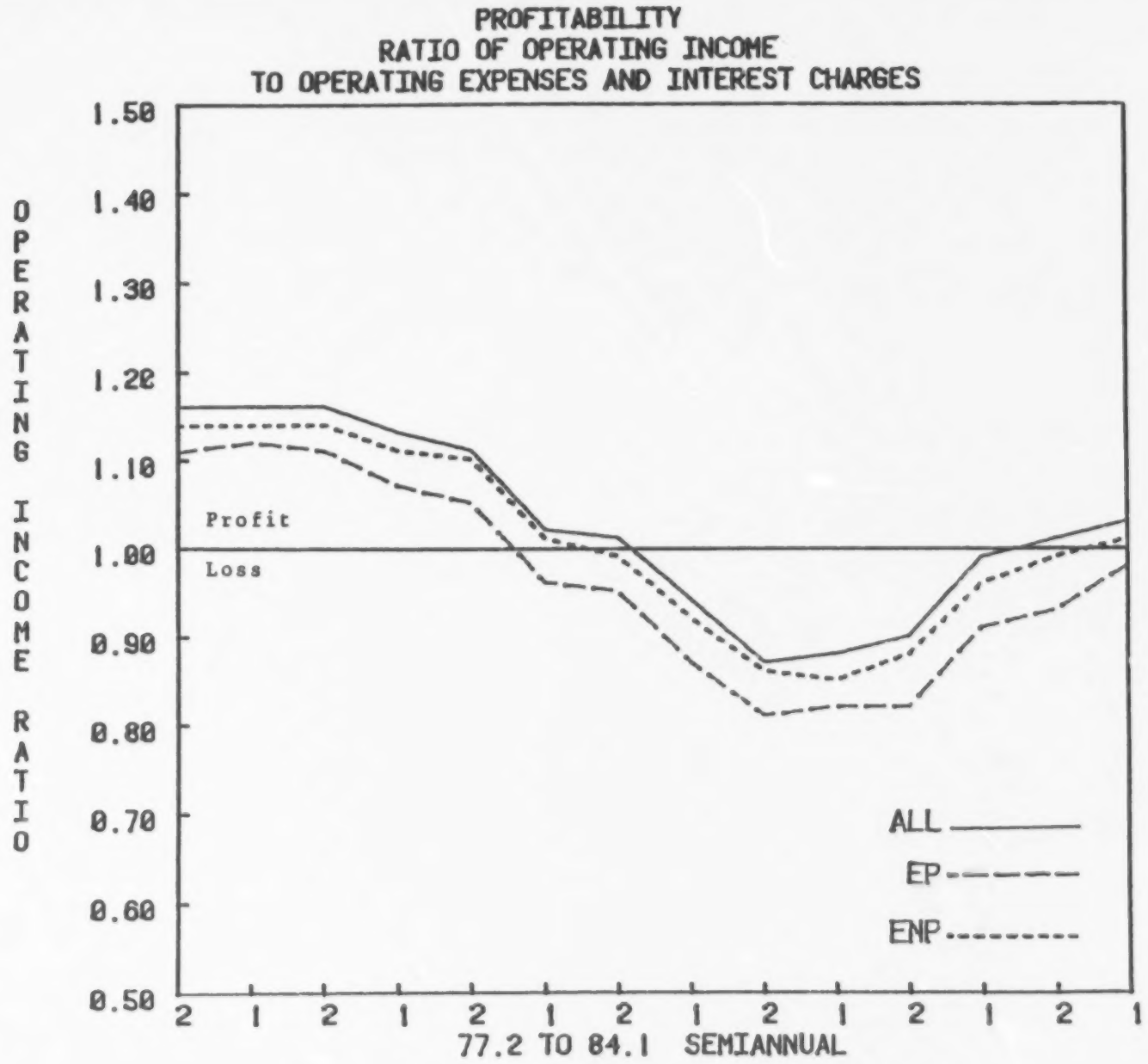
Figure 35



Source Tables 52,53,54

APPENDIX VII

Figure 36



Source: Tables 52, 53, 54

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APPENDIX VII

APPENDIX VII

Table 55

Rates of Return on Equity (1977-1984)[a]

	Ratios of Net Income to Regulatory Net Worth[b]		
	All FSLIC-insured institutions	Net worth certificate participants	Eligible nonparticipants
1977.2[c]	14.12	11.74	13.90
1978.1	14.26	11.95	14.10
2	14.58	11.64	15.09
1979.1	12.19	9.01	12.61
2	11.34	7.21	11.47
1980.1	2.98	- 4.77	1.73
2	1.87	- 4.76	0.05
1981.1	- 9.76	-30.09	-15.41
2	-21.89	-54.93	-37.08
1982.1	-25.77	-84.40	-52.92
2	- 7.40	-95.60	-23.30
1983.1	7.79	-35.29	- 9.60
2	5.64	-35.44	1.34
1984.1[d]	4.00	-37.22	0.78
2	7.55	-12.52	4.37
3	1.21	-38.10	- 2.08
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1984

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Regulatory net worth was positive for each group throughout the period. Hence, positive ratios reflect positive income and net worth while negative ratios reflect negative net income.

[c]Data are available semiannually through 1983.

[d]Data are available quarterly during 1984.

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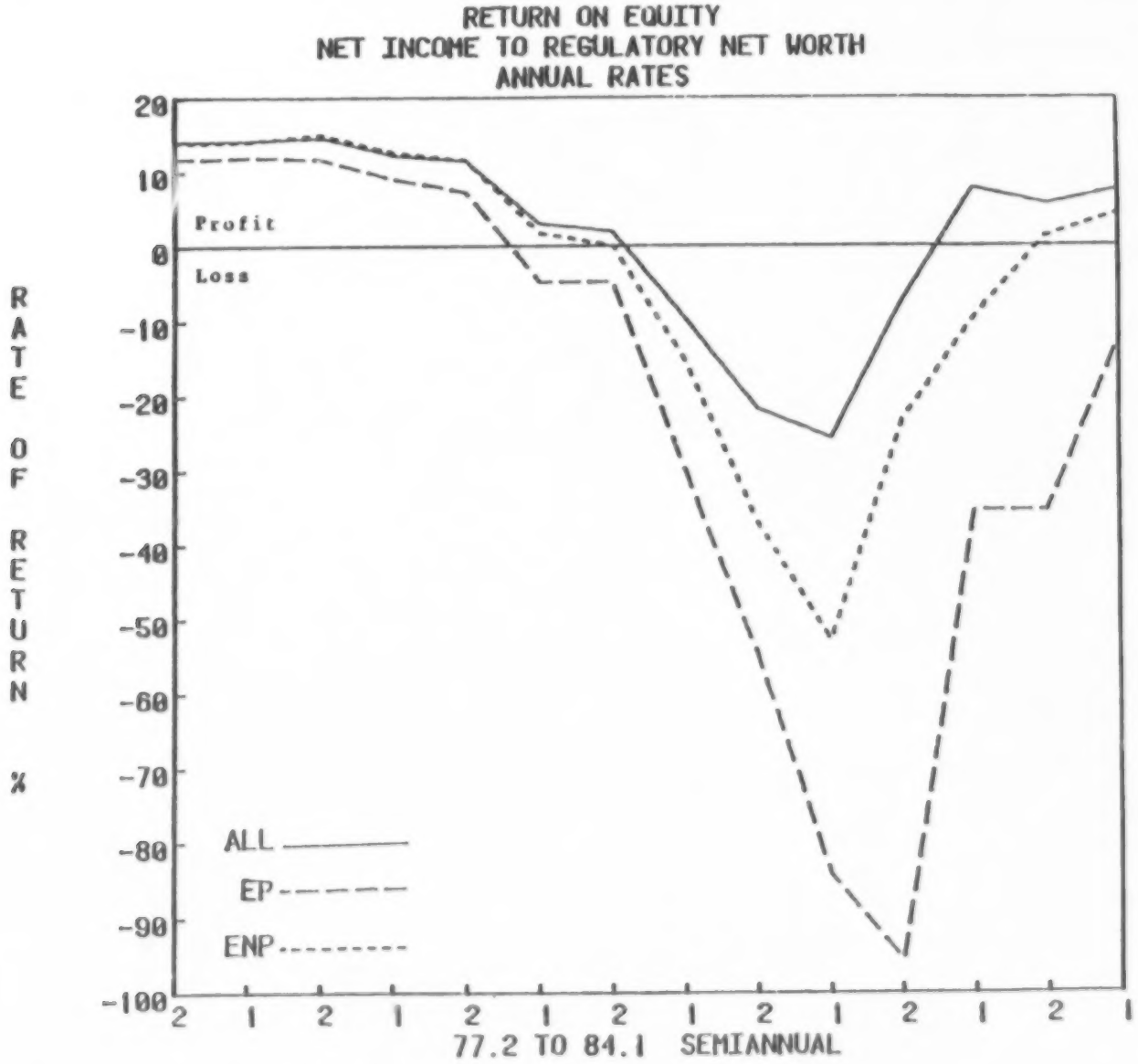
Figure 37



Source: Table 55

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APPENDIX VII

Table 56

Rates of Return on Equity (1977-1984)[a]

	Ratios of Net Income to GAAP Net Worth		
	All FSLIC insured institutions	Net worth certificate participants	Eligible nonparticipants
1977.2[b]	13.93	11.72	13.74
1978.1	14.03	11.92	13.86
2	14.30	11.60	14.79
1979.1	11.98	8.98	12.40
2	11.15	7.18	11.30
1980.1	2.93	- 4.75	1.71
2	1.84	- 4.73	0.05
1981.1	- 9.55	-29.89	-15.11
2	-21.93	-77.81	-38.29
1982.1	-27.14	-403.26	-65.80
2	- 8.76	(124.48)[d]	-40.78
1983.1	9.57	(31.98)[d]	18.26
2	7.01	(25.25)[d]	2.40
1984.1[c]	4.99	(22.80)[d]	1.37
2	9.66	(6.82)[d]	8.15
3	1.58	(18.75)[d]	-3.95
4	N/A	N/A	N/A

Source: FHLBB Semiannual and Quarterly Financial Reports, 1977-1984.

Notes: [a]See table 2, note [b] for a description of our set of Net Worth Certificate Participants.

[b]Data are available semiannually through 1983.

[c]Data are available quarterly during 1984.

[d]Both the numerator (net income) and the denominator (GAAP net worth) are negative. Hence their ratio has a positive sign. Aberrant data are in parenthesis.

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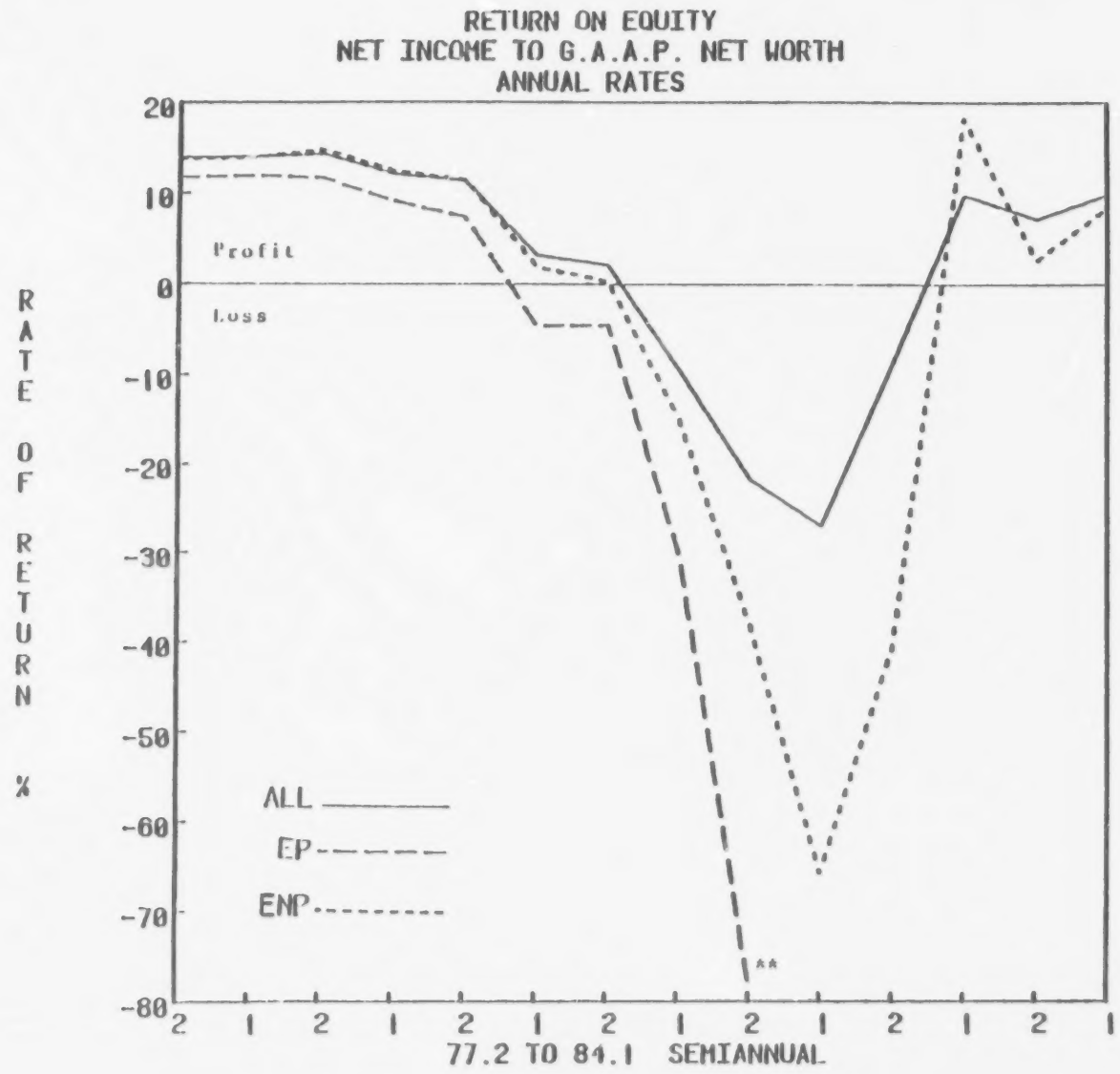
Figure 38



Source: Table 56

** Aberrant Data; see table 56

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